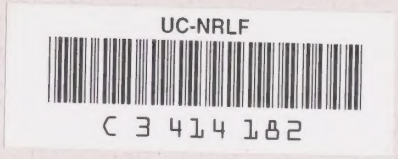
A2334
NRLF
2006/07
IGSL



Annual Financial Report

County of Stanislaus, California

INSTITUTE OF GOVERNMENTAL
STUDIES LIBRARY
MAR 04 2008
UNIVERSITY OF CALIFORNIA

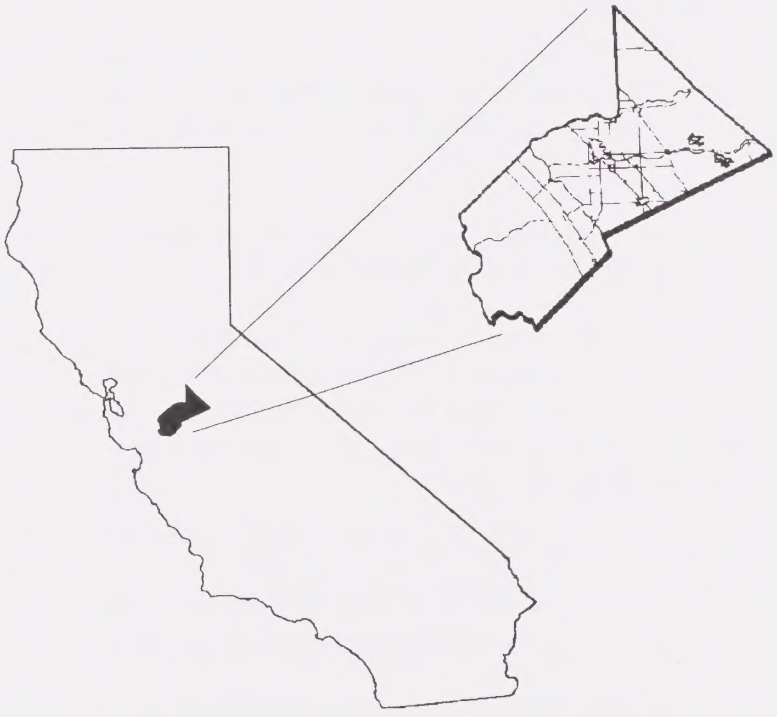
Stanislaus County

Striving to be the Best

Fiscal Year Ended June 30, 2007

Annual Financial Report

County of Stanislaus, California
Fiscal Year Ended
June 30, 2007



Prepared By
Stanislaus County Auditor-Controller's Office
Larry D. Haugh, Auditor-Controller

COUNTY OF STANISLAUS

Annual Financial Report

For the Fiscal Year Ended June 30, 2007

TABLE OF CONTENTS

Financial Section:

Independent Auditors' Report 1

Management's Discussion and Analysis (Required Supplementary Information) 3

Basic Financial Statements:

Government-wide Financial Statements:
- Statement of Net Assets 15
- Statement of Activities 16

Fund Financial Statements:

Governmental Funds:
- Balance Sheet 18
- Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets 19
- Statement of Revenues, Expenditures and Changes in Fund Balances 20
- Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 21
- Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual on the Budgetary Basis:
  - General Fund 22
  - Behavioral Health and Recovery Special Revenue Fund 30
  - Community Services Agency Special Revenue Fund 31

Proprietary Funds:
- Statement of Net Assets 32
- Statement of Revenues, Expenses and Changes in Fund Net Assets 33
- Statement of Cash Flows 34

Fiduciary Funds:
- Statement of Fiduciary Net Assets 36
- Statement of Changes in Fiduciary Net Assets 37

Notes to the Basic Financial Statements 38

COUNTY OF STANISLAUS

Annual Financial Report

For the Fiscal Year Ended June 30, 2007

TABLE OF CONTENTS

Combining and Individual Fund Statements:

Nonmajor Governmental Funds:
- Combining Balance Sheet 81
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances 82

Nonmajor Special Revenue Funds:
- Combining Balance Sheet 84
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances 86

Nonmajor Enterprise Funds:
- Combining Statement of Net Assets 89
- Combining Statement of Revenues, Expenses and Changes in Fund Net Assets 90

Internal Service Funds:
- Combining Statement of Net Assets 92
- Combining Statement of Revenues, Expenses and Changes in Fund Net Assets 94

Statistical Information:

Government-wide:
- Net Assets by Component 97
- Changes in Net Assets 98
- Governmental Activities - Tax Revenues by Source 100

Fund Information:
- Fund Balances of Governmental Funds 101
- Changes in Fund Balances of Governmental Funds 102

Property Taxes:
- Net Assessed and Estimated Actual Value of Taxable Property 103
- Property Tax Rates and Distribution of General Levy Property Tax Rate Among Direct and Overlapping Governments 104
- Principal Property Taxpayers 105
- Property Tax Levy and Collections 106

Debt Capacity:
- Legal Debt Margin 107
- Estimated Direct and Overlapping Bonded Debt 108

Demographic and Economic Information:
- Miscellaneous Statistical Data 109

Digitized by the Internet Archive
in 2026 with funding from
State of California and California State Library

https://archive.org/details/igsl_acfr-stanislaus-cty_2007

Financial Section

BROWN ARMSTRONG
CERTIFIED PUBLIC ACCOUNTANTS

BROWN ARMSTRONG
PAULDEN MCCOWN STARBUCK THORNBURGH & KEETER
CERTIFIED PUBLIC ACCOUNTANTS

Main Office
4200 Truxtun Ave., Suite 300
Bakersfield, California 93309
Tel 661-324-4971 Fax 661-324-4997
e-mail: info@bacpas.com

Shafter Office
560 Central Avenue
Shafter, California 93263
Tel 661-746-2145 Fax 661-746-1218

Andrew J. Paulden, CPA
Peter C. Brown, CPA
Burton H. Armstrong, CPA, MST
Harvey J. McCown, MBA, CPA
Steven R. Starbuck, CPA
Aileen K. Keeter, CPA
Chris M. Thornburgh, CPA
Eric H. Xin, MBA, CPA
Richard L. Halle, CPA, MST

Lynn R. Krausse, CPA, MST
Rosalva Flores, CPA
Connie M. Perez, CPA
M. Sharon Adams, CPA, MST
Diana H. Branthoover, CPA
Thomas M. Young, CPA
Alicia Montgomery, CPA, MBA
Matthew R. Gilligan, CPA
Hanna J. Sheppard, CPA
Ryan L. Nielsen, CPA
Jian Ou-Yang, CPA
Ryan S. Johnson, CPA
Michael C. Olivares, CPA
Jialan Su, CPA
Ariadne S. Prunes, CPA
Samuel O. Newland, CPA
Richard A. Gammel, CPA
Brooke N. DeCuir, CPA
Craig A. Rickett, CPA

INDEPENDENT AUDITOR'S REPORT

To the Honorable Grand Jury and Board of Supervisors
of the County of Stanislaus, California

We have audited the accompanying financial statements of governmental activities, the business-type activities, each major fund, the aggregated remaining fund information, of the County of Stanislaus, California, (the County), as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregated remaining fund information of the County of Stanislaus, California, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The *management's discussion and analysis* as listed in the accompanying table of contents is not a required part of the County's basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules and the statistical section identified in the table of contents, where applicable, are presented for the purposes of additional analysis and are not a required part to the basic financial statements. The information in the statistical section has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion on it. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2008, on our consideration of the County of Stanislaus' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK THORNBURGH & KEETER
ACCOUNTANCY CORPORATION

Bakersfield, California
January 7, 2008

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the County of Stanislaus (County), we offer this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2007. Please read it in conjunction with the County's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of the 2006-2007 fiscal year by $718 million (*net assets)*. Of this amount, $494 million is invested in capital assets net of related debt and $182 million is restricted for specific purpose (*restricted net assets*), leaving $42 million in unrestricted net assets.

- The government's total net assets increased by $36 million.

- As of June 30, 2007, the County governmental funds reported combined fund balances of $440 million, an increase of $20 million from the prior year. Approximately 80% of the combined fund balances, or $354 million is available to meet the County's current and future needs (*unreserved fund balance).*

- At the end of the fiscal year, unreserved fund balance for the general fund was $73 million, or 29% of total general fund expenditures and transfers.

- The County's total long-term debt decreased by $15 million in fiscal year 2006-2007 due to refundings of three Certificates of Participation and annual debt service payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. There are three components to the County's basic financial statements 1) **Government-wide** financial statements; 2) **Fund** financial statements and 3) **Notes** to the basic financial statements. This report also contains other supplementary information.

Government-wide Financial Statements are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all County assets and liabilities, with the difference between the two reported as *net assets.* Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

OVERVIEW OF THE FINANCIAL STATEMENTS (Cont.)

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities).* The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation and cultural services. The business-type activities of the County include the Fink and Geer Road Landfills, Health Clinics and Ancillary Services, Stanislaus Behavioral Health Center, Inmate Welfare/Commissary and Transit.

The government-wide financial statements include not only the County (known as the primary government), but also legally separate entities (component units) for which the County is financially accountable. There are five component units included in these financial statements. The Redevelopment Agency, Stanislaus County Capital Improvements Financing Authority, Stanislaus County Tobacco Funding Corporation, In-Home Supportive Services Public Authority and the Lighting Districts, although legally separate, function for all practical purposes as departments of the County and therefore, are included as an integral part of the primary government.

The government-wide financial statements can be found on pages 15-17 of this report.

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: *governmental funds, proprietary funds* and *fiduciary funds*.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows* and *outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

For the governmental funds, information is presented separately for the General Fund, Tobacco Settlement, Behavioral Health and Recovery Services, Community Services Agency, and Public Facility Fees, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (Cont.)

The County adopts an annual appropriated budget for its General Fund and most of its special revenue funds. Budgetary comparison statements have been provided in this report for the General Fund and the major special revenue funds.

The governmental funds financial statements can be found on pages 18-31 of this report

Proprietary funds are divided into two types. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the Fink and Geer Road Landfills, Health Clinics and Ancillary Services, Stanislaus Behavioral Health Center, Inmate Welfare/Commissary and Transit activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its self-insurance activities, Central Services, Fleet Services, Technology and Communication, and Morgan Shop Garage. All of these activities, except the Professional Liability Self-insurance Fund, predominantly benefit governmental functions and have been included within *governmental activities* in the government-wide financial statements. The Professional Liability Insurance Fund predominantly benefits business type functions and is included within the *business-type* activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Fink and Geer Road Landfills, and the Health Clinics and Ancillary Services Fund are considered to be major funds of the County. The County's internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The proprietary funds financial statements can be found on pages 32-35 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds except for agency funds.

The fiduciary fund financial statements can be found on pages 36-37 of this report.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 38-80 of this report.

The combining and individual fund statements referred to earlier provide information for non-major governmental funds, enterprise and internal service funds and are presented immediately following the notes to the financial statements. Combining and individual fund statements can be found on pages 81-95 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by $718 million at the close of the 2006-2007 fiscal year.

By far the largest portion of the County's net assets (69%) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

County of Stanislaus Net Assets

	Governmental Activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	$ 546,519,103	$ 520,097,021	$ 36,259,578	$ 39,991,538	$ 582,778,681	$ 560,088,559
Capital assets	548,872,620	559,863,930	30,127,815	30,988,335	579,000,435	590,852,265
Total assets	1,095,391,723	1,079,960,951	66,387,393	70,979,873	1,161,779,116	1,150,940,824
Long-term liabilities outstanding	346,352,070	361,126,912	3,402,021	3,490,172	349,754,091	364,617,084
Other liabilities	57,218,818	60,598,644	37,091,866	39,071,437	94,310,684	99,670,081
Total liabilities	403,570,888	421,725,556	40,493,887	42,561,609	444,064,775	464,287,165
Net assets:						
Invested in capital, net of related debt	464,402,025	468,897,825	29,205,014	29,741,803	493,607,039	498,639,628
Restricted	163,255,952	152,375,844	18,925,816	17,484,367	182,181,768	169,860,211
Unrestricted	64,162,858	36,961,726	(22,237,324)	(18,807,906)	41,925,534	18,153,820
Total net assets	$ 691,820,835	$ 658,235,395	$ 25,893,506	$ 28,418,264	$ 717,714,341	$ 686,653,659

Another significant portion of the County's net assets, $182 million, (25%) represents resources that are subject to external restrictions on how they may be used. The remaining $42 million of the County's net assets are unrestricted. At the end of the current fiscal year, the County is able to report, in total, positive balances in all three categories of net assets.

The County's total net assets increased by $36 million during the current fiscal year as revenues exceeded expenditures by that amount.

For business-type activities, the County reported a negative balance of $22 million in unrestricted net assets. This deficit is due primarily to the liability for post-closure maintenance in the closed Geer Road Landfill Fund and the accumulated deficit in the Health Clinics and Ancillary Services Fund.

Governmental activities Governmental activities increased the County's net assets by $34 million, mainly due to increased revenue of $32 million keeping pace with the $28 million increase in expenditures.

The increased revenue came from $13 million in tax revenue, $3.7 million donation for the Gallo Arts Center and increased State and Federal revenues for Behavioral Health and Recovery Services and Community Services Agency programs.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont.)

Governmental activities (Cont.)

The following table indicates the changes in net assets for governmental and business-type activities:

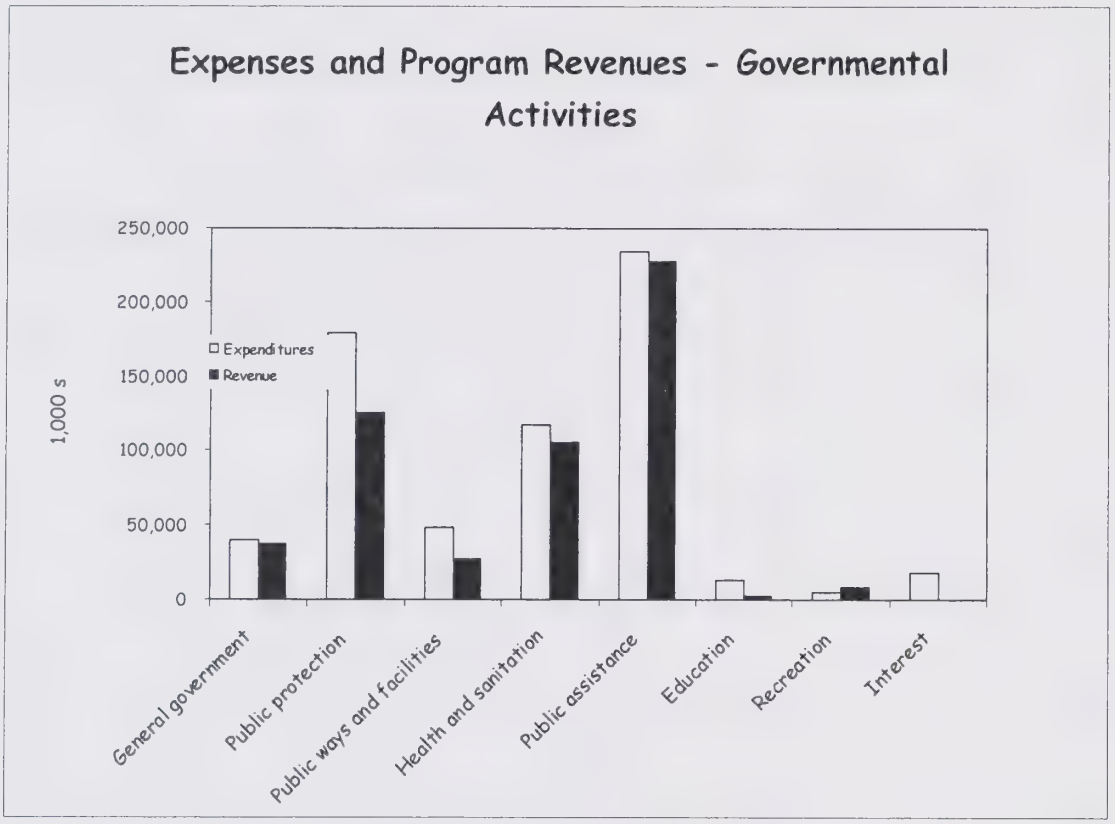
County of Stanislaus Changes in Net Assets

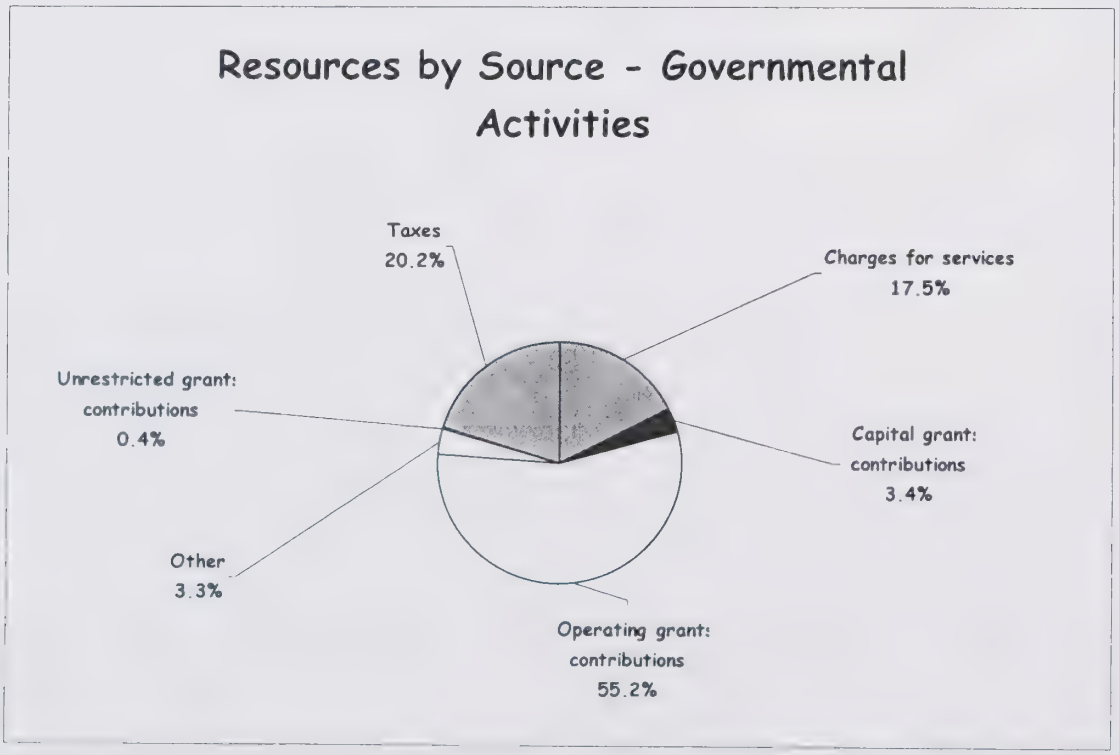
	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	$ 122,739,381	$130,770,055	$ 53,673,010	$61,740,079	$ 176,412,391	$192,510,134
Operating grants and contributions	388,750,336	373,932,272	1,906,353	1,172,645	390,656,689	375,104,917
Capital grants and contributions	23,998,543	17,156,592		219,614	23,998,543	17,376,206
General revenues:						
Property taxes	106,497,765	91,742,755			106,497,765	91,742,755
Sales taxes	32,520,456	32,547,462	2,626,260	2,506,291	35,146,716	35,053,753
Other taxes	3,390,027	4,693,426			3,390,027	4,693,426
Unrestricted investment earnings	13,903,636	8,678,242	848,117	631,598	14,751,753	9,309,840
Grants/contributions not restricted	2,635,502	2,662,110			2,635,502	2,662,110
Other general revenue	9,516,094	9,652,580			9,516,094	9,652,580
Total revenues	703,951,740	671,835,494	59,053,740	66,270,227	763,005,480	738,105,721
Expenses:						
General government	40,326,944	46,905,827			40,326,944	46,905,827
Public protection	179,232,723	171,456,271			179,232,723	171,456,271
Public ways and facilities	48,425,573	43,300,626			48,425,573	43,300,626
Health and sanitation	117,136,073	107,002,519			117,136,073	107,002,519
Public assistance	234,184,853	226,912,785			234,184,853	226,912,785
Education	13,230,701	11,617,617			13,230,701	11,617,617
Recreation	5,172,418	5,936,392			5,172,418	5,936,392
Interest on long-term debt	18,532,357	15,794,464			18,532,357	15,794,464
Landfills			4,495,812	4,264,879	4,495,812	4,264,879
Behavioral health			14,981,467	16,574,026	14,981,467	16,574,026
Health clinics and ancillary			46,566,334	47,386,656	46,566,334	47,386,656
Inmate welfare and commissary			1,553,968	1,448,930	1,553,968	1,448,930
Transit			2,879,015	2,621,053	2,879,015	2,621,053
Total expenses	656,241,642	628,926,501	70,476,596	72,295,544	726,718,238	701,222,045
Net asset increase (decrease) before transfers	47,710,098	42,908,993	(11,422,856)	(6,025,317)	36,287,242	36,883,676
Transfers	(14,124,658)	(9,338,373)	14,124,658	9,338,373	-	-
Change in net assets	33,585,440	33,570,620	2,701,802	3,313,056	36,287,242	36,883,676
Net assets – July 1, restated	658,235,395	624,664,775	23,191,704	25,105,208	681,427,099	649,769,983
Net assets – June 30	$ 691,820,835	$658,235,395	$ 25,893,506	$28,418,264	$ 717,714,341	$686,653,659

Expenses decreased for the general government category as a result of reclassification of Children and Family First Commission expenses to the Health and sanitation and the Education categories in 2007.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont.)

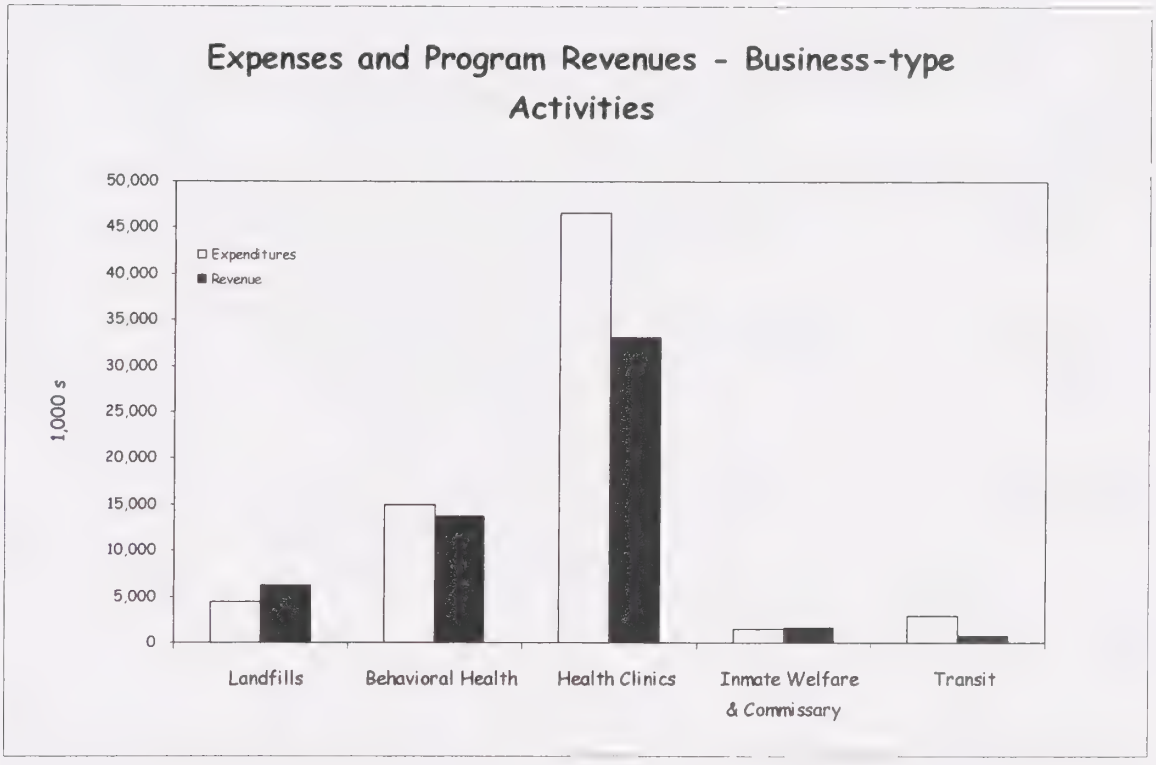
Governmental activities (Cont.)

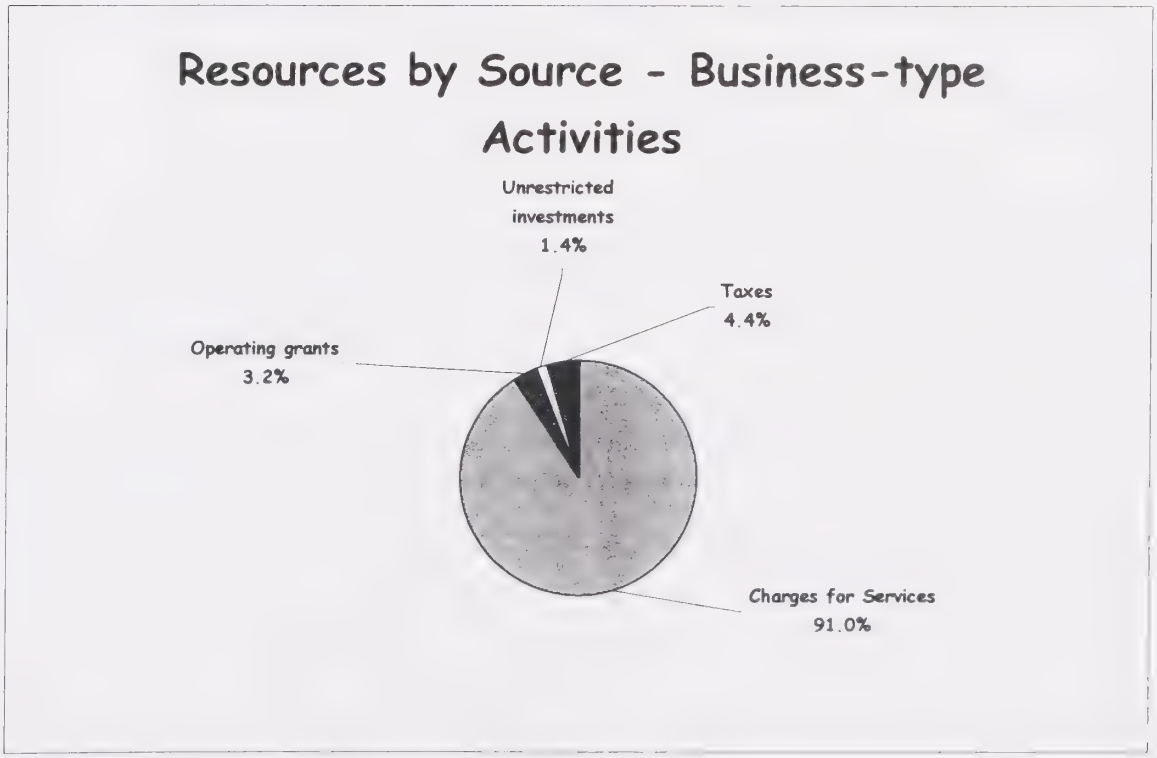




GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont.)

Business-type activities





FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses ***fund accounting*** to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The general government functions are contained in the general, special revenue, debt service, and capital projects funds. Included in these funds are the special districts governed by the County Board of Supervisors. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2007, the County's governmental funds reported combined fund balances of $440 million, an increase of $20 million in comparison with the prior year. A part of this increase came from $10 million in Public Facilities Fees proceeds. The rest of the increase can be attributed to an increase in taxes and penalties on delinquent taxes.

Approximately 80% ($354 million) of the combined fund balances constitutes *unreserved fund balance,* which is available for spending by the government. The remainder of fund balance is *reserved* to indicate that it is *not* available for new spending because it has been committed:

1) to pay debt service $15.5 million
2) to capital projects $10 million
3) to liquidate contracts and purchase orders of the prior period $20.5 million
4) to reflect amount due from other funds that are long-term in nature and thus do not represent available spendable resources $0.7 million
5) to reflect long term receivables for delinquent taxes due from taxpayers $30.5 million
6) to reflect amounts loaned to other governments that are long-term and do not represent available resources $2.3 million
7) to a variety of other restricted purposes $6.3 million.

The General Fund is the chief operating fund of the County. At June 30, 2007, unreserved fund balance of the General Fund was $73 million while total fund balance was $117 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 29% of total fund expenditures and transfers, while total fund balance represents 46% of that same amount.

The County's management also designates (earmarks) unreserved fund balance to a particular function, project, activity or for purposes beyond the current year. However, designated fund balance is available for appropriation at any time. Of the $73 million General Fund unreserved fund balance, 68% is designated. Unreserved, undesignated fund balance at year-end was $23 million.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (Cont.)

The total fund balance of the County's General Fund increased by $10.7 million during the current fiscal year, largely due to an increase in taxes. Taxes increased by $11.3 million.

The debt service funds have a total fund balance of $16.1 million, most of which is reserved for the payment of debt service. The net decrease in fund balance during the current year in the debt service funds was $3.0 million. This decrease can be attributed to annual debt service payments.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The following table shows actual revenues, expenses and results of operations for the current fiscal year:

	Stanislaus County Proprietary Funds				
	Major Funds			Non-major	
	Fink Road Landfill	Geer Road Landfill	Health Clinics & Ancillary	Other Enterprise Funds	Total
Operating revenues	$ 5,316,885	$ -	$ 32,732,432	$15,623,693	$53,673,010
Operating expenses	4,495,100	712	44,859,787	19,164,811	68,520,410
Operating income (loss)	821,785	(712)	(12,127,355)	(3,541,118)	(14,847,400)
Non-operating revenues (expenses), net	1,392,448	170,978	(956,546)	2,998,716	3,605,596
Net income (loss) before contributions and transfers	2,214,233	170,266	(13,083,901)	(542,402)	(11,241,804)
Contributions and transfers	(479,985)	450,000	14,890,502	(661,830)	14,198,687
Net income (loss)	$ 1,734,248	$620,266	$ 1,806,601	$ (1,204,232)	$ 2,956,883

The net loss in the Other Enterprise Funds results from a decrease of $3.3 million in revenues in the Stanislaus Behavior Health Center. The In-Patient Unit's number of patient days decreased by approximately 3000 from June 2006 to June 2007. The reduction in Operating revenues is a result of the drop in volume.

GENERAL FUND BUDGETARY HIGHLIGHTS

The County appropriated $9.8 million in a contingency budget for emergencies and other unanticipated expenses as part of administrative policy. At year-end, revenues exceeded budgetary estimates in the General Fund by $7.2 million and expenditures were less than budgetary estimates.

During the year, expenditure appropriations were increased by $6.1 million resulting in a difference between the original budget and the final amended budget. This appropriation increase in the General Fund was for increased Sheriff Department needs and for improvements to the Tuolumne River Regional Park. The General Fund budget for match to other funds (transfers out) was also increased by $6.3 million for the Health Services Agency Clinics and Ancillary Services shortfall and for Health Services Agency capital projects.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2007, amounted to $579 million (net of accumulated depreciation). This investment in capital assets includes land and easements, roads, highways, bridges, park facilities, structures and improvements, and equipment. The County's total investment in capital assets for the current period decreased from the prior year due to depreciation.

Major capital asset events during the 2006-2007 fiscal year included the following:

- Construction completed on the 12th Street parking garage and office structure, expending $1.3 million of a $22.9 million project.
- Activity on the new Gallo Center for the Arts continued with $9.6 million expended on an overall $34.8 million project.
- Paradise Medical Office Remodel Project began with $0.6 million expended on a $1.1 million project.
- Parks spent $676,000 for onsite improvements on the Riverdale Park and Fishing Access.
- Major public works projects included $3.7 million for improvements to the Sperry Road Project, $1.5 million for the Geer Road/Hatch Road and Whitmore intersections and $1.3 million for the Albers Road/Yosemite Blvd. (SR132) intersection.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Cont.)

Capital assets (Cont.)

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:

County of Stanislaus Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	$ 38,381,111	$ 37,631,254	$ 16,397,602	$ 16,397,602	54,778,713	$ 54,028,856
Infrastructure	320,833,307	342,201,335			320,833,307	342,201,335
Structures and improvements	116,183,541	108,946,881	9,525,660	10,342,989	125,709,201	119,289,870
Equipment	39,605,090	30,699,572	4,204,553	4,247,744	43,809,643	34,947,316
Construction in progress	33,869,571	40,384,888			33,869,571	40,384,888
Total	$548,872,620	$ 559,863,930	$ 30,127,815	$ 30,988,335	$ 579,000,435	$590,852,265

Long-term debt

At June 30, 2007, the County had total long-term debt outstanding of $298 million. The decrease of $15.7 million from last year's outstanding debt results from annual debt service payments and issuing a new Certificate of Participation (COP) to defease and refund two other COP's.

Our long-term debt ratings are an "A" from Standard and Poor's Corporation and an "A3" from Moody's Investor service.

County of Stanislaus
Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Certificates of Participation	$ 105,236,041	$ 115,444,217	$ 881,656	$ 1,034,456	$ 106,117,697	$ 116,478,673
Pension Obligation Bonds	62,975,000	69,665,000			62,975,000	69,665,000
Tobacco Securitization Note	104,733,611	105,933,611			104,733,611	105,933,611
Accreted Interest Tobacco Note	3,127,014	446,033			3,127,014	446,033
RDA USDA Loan	4,380,000	4,430,000			4,380,000	4,430,000
RDA 2005 TAB	15,615,000	15,615,000			15,615,000	15,615,000
RDA State Water Board Loan	1,388,405	1,520,423			1,388,405	1,520,423
Total	$ 297,455,071	$ 313,054,284	$ 881,656	$ 1,034,456	$ 298,336,727	$ 314,088,740

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The unemployment rate in the County for October 2007 was 8.5% compared to 5.4% for the State of California and 4.7% of the nation.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (Cont.)

- Median home prices in Stanislaus County decreased 23% from November 2006 to November 2007. Statewide median home prices decreased 11.9% for the same period.

- Housing sales decreased 40% in November 2007 compared to the same month the previous year. More properties were lost to foreclosures than were sold by traditional means in the month of November 2007.

- During the current fiscal year, unreserved, undesignated fund balance in the General Fund decreased $1.3 million to $23 million as reserve fund balance increased $12.7 million. The County has appropriated $13.1 million of the unreserved, undesignated fund balance for spending in the 2007-2008 fiscal year.

- The 2007-2008 budget includes a contribution from the General Fund to the Health Clinics and Ancillary Services Fund of $4.4 million consistent with the third year goals of the Health Services Agency Strategic Plan.

- Effective November 1, 2007, the Board of Supervisors approved the sale of the Stanislaus Behavioral Health Center to Doctor's Medical Center of Modesto, Inc. for the purchase price of $10,949,000.

- Effective September 20, 2007, the Health Services Agency primary care facilities received the Federally Qualified Health Center Look-Alike (FQHC-LA) designation. The increased annual revenue as a result of the FQHC-LA designation is estimated to be $6.4 million.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Auditor-Controller's Office, 1010 Tenth Street, Suite 5100, P.O. Box 770, Modesto, CA 95353.

Basic Financial Statements

County of Stanislaus
Statement of Net Assets
June 30, 2007

	Governmental Activites	Business-type Activities	Total
ASSETS			
Cash and investments	$ 284,460,365	$ 13,155,018	$ 297,615,383
Investments with fiscal agent	126,802,093	207,000	127,009,093
Taxes receivable	40,415,280		40,415,280
Accounts receivable	52,283,686	13,891,535	66,175,221
Interest and other receivables	3,073,824	199,168	3,272,992
Deposit with others	581,730		581,730
Deferred charges	3,286,263		3,286,263
Inventory	716,002	456,575	1,172,577
Prepaid items	47,505	93,034	140,539
Loans to other governments	2,335,316		2,335,316
Internal balances	10,557,334	(10,557,334)	
Restricted cash and investments	5,770,283	18,814,582	24,584,865
Investments - Joint ventures	16,189,422		16,189,422
Capital assets: (net of accumulated depreciation)			
Land	38,381,111	16,397,602	54,778,713
Infrastructure	320,833,307		320,833,307
Structures and improvements	116,183,541	9,525,660	125,709,201
Equipment	39,605,090	4,204,553	43,809,643
Construction in progress	33,869,571		33,869,571
Total capital assets	548,872,620	30,127,815	579,000,435
Total assets	1,095,391,723	66,387,393	1,161,779,116
LIABILITIES			
Accounts payable	22,689,421	2,542,220	25,231,641
Salaries and benefits payable	15,148,136	1,541,397	16,689,533
Interest payable	3,616,536		3,616,536
Unearned revenue	12,427,172		12,427,172
Deposits from others	39,149	28,617	67,766
Due to other governments	3,298,404		3,298,404
Payables to external parties		19,452,078	19,452,078
Estimated cost of landfill closure/postclosure		13,527,554	13,527,554
Long-term liabilities:			
Portion due or payable within one year:			
Risk management liability - current	8,649,652	489,000	9,138,652
Capital leases - current	91,256	41,145	132,401
Compensated absences - current	906,811	124,411	1,031,222
Long-term obligations - current	18,262,653	160,440	18,423,093
Portion due or payable after one year:			
Risk management liability	14,077,645		14,077,645
Capital leases payable	180,065		180,065
Compensated absences	24,991,570	1,865,809	26,857,379
Long-term obligations	279,192,418	721,216	279,913,634
Total liabilities	403,570,888	40,493,887	444,064,775
NET ASSETS			
Investment in capital assets, net of related debt	464,402,025	29,205,014	493,607,039
Restricted for:			
Capital projects	104,650,011		104,650,011
Other purposes	58,605,941	18,925,816	77,531,757
Unrestricted (deficit)	64,162,858	(22,237,324)	41,925,534
Total net assets	$ 691,820,835	$ 25,893,506	$ 717,714,341

The accompanying notes to the financial statements are an integral part of this statement

County of Stanislaus
Statement of Activities
For the Fiscal Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	$ 40,326,944	$ 24,445,799	$ 11,351,028	$ 2,072,495
Public protection	179,232,723	45,100,432	78,605,939	2,069,574
Public ways and facilities	48,425,573	11,821,776	948,018	14,962,708
Health and sanitation	117,136,073	32,012,248	72,839,636	225,484
Public assistance	234,184,853	4,454,712	223,254,954	
Education	13,230,701	1,119,156	1,036,343	574,666
Recreation	5,172,418	3,785,258	714,418	4,093,616
Interest and fiscal charges on long-term debt	18,532,357			
Total governmental activities	656,241,642	122,739,381	388,750,336	23,998,543
Business-type activities:				
Landfills	4,495,812	5,316,886	921,486	
Behavioral Health	14,981,467	13,767,234		
Health Clinics & Ancillary	46,566,334	32,732,432	448,809	
Inmate Welfare and Commissary	1,553,968	1,584,935	64,574	
Transit	2,879,015	271,523	471,484	
Total business-type activities	70,476,596	53,673,010	1,906,353	
Total Stanislaus County	$ 726,718,238	$ 176,412,391	$ 390,656,689	$ 23,998,543

General revenues:
- Taxes:
  - Property taxes
  - Property taxes in lieu vehicle license fees
  - Property taxes - unsecured
  - Sales taxes
  - Sales taxes - library
  - Sales taxes - road
  - In lieu sales tax
  - Other taxes
- Franchise fees
- Payment in lieu of taxes:
  - Open space subvention
- Unrestricted investment earnings
- Miscellaneous
- Net transfers

Total general revenues and transfers

Changes in net assets

Net assets--beginning, restated

Net assets--ending

The accompanying notes to the financial statements are an integral part of this statement

County of Stanislaus
Statement of Activities
For the Fiscal Year Ended June 30, 2007

Net (Expense) Revenue and Changes in Net Assets			
Governmental Activities	Business-Type Activities	Total	Functions/Programs
			Primary government
			Governmental activities:
$ (2,457,622)	$	$ (2,457,622)	General government
(53,456,778)		(53,456,778)	Public protection
(20,693,071)		(20,693,071)	Public ways and facilities
(12,058,705)		(12,058,705)	Health and sanitation
(6,475,187)		(6,475,187)	Public assistance
(10,500,536)		(10,500,536)	Education
3,420,874		3,420,874	Recreation
(18,532,357)		(18,532,357)	Interest and fiscal charges on long-term debt
(120,753,382)		(120,753,382)	Total governmental activities
			Business-type activities:
	1,742,560	1,742,560	Landfills
	(1,214,233)	(1,214,233)	Behavioral Health
	(13,385,093)	(13,385,093)	Health Clinics & Ancillary
	95,541	95,541	Inmate Welfare and Commissary
	(2,136,008)	(2,136,008)	Transit
	(14,897,233)	(14,897,233)	Total business-type activities
$ (120,753,382)	$ (14,897,233)	$ (135,650,615)	Total Stanislaus County
			General revenues.
			Taxes:
54,082,632		54,082,632	Property taxes
50,412,778		50,412,778	Property taxes in lieu vehicle license fees
2,002,355		2,002,355	Property taxes - unsecured
15,576,068	2,626,260	18,202,328	Sales taxes
8,575,615		8,575,615	Sales taxes - library
2,394,652		2,394,652	Sales taxes - road
5,974,121		5,974,121	In lieu sales tax
3,390,027		3,390,027	Other taxes
1,090,128		1,090,128	Franchise fees
			Payment in lieu of taxes:
1,545,374		1,545,374	Open space subvention
13,903,636	848,117	14,751,753	Unrestricted investment earnings
9,516,094		9,516,094	Miscellaneous
(14,124,658)	14,124,658		Net transfers
154,338,822	17,599,035	171,937,857	Total general revenues and transfers
33,585,440	2,701,802	36,287,242	Changes in net assets
658,235,395	23,191,704	681,427,099	Net assets--beginning, restated
$ 691,820,835	$ 25,893,506	$ 717,714,341	Net assets--ending

County of Stanislaus
Balance Sheet
Governmental Funds
June 30, 2007

	General Fund	Tobacco Settlement	Behavioral Health and Recovery	Community Services Agency	Public Facility Fees	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and investments	$ 59,205,250	$	$ 4,416,941	$ 4,316,538	$ 88,967,358	$ 95,400,841	$ 252,306,928
Investments with fiscal agent	1,034,668	100,353,891				25,413,534	126,802,093
Taxes receivable	40,415,280						40,415,280
Accounts receivable	14,365,308		10,218,701	7,527,175	729,331	18,959,565	51,800,080
Interest and other receivables	811,930	878,580	51,968		617,067	530,034	2,889,579
Due from other funds	6,011,524		5,547,242	202,087		392,426	12,153,279
Deposit with others	10,000						10,000
Inventory						360,781	360,781
Loans to other governments	2,309,316					26,000	2,335,316
Advances to other funds	500,000					190,422	690,422
Prepaid items						29,876	29,876
Restricted cash and investments	5,770,283						5,770,283
Total assets	$ 130,433,559	$ 101,232,471	$ 20,234,852	$ 12,045,800	$ 90,313,756	$ 141,303,479	$ 495,563,917
Liabilities and fund balances							
Liabilities							
Accounts payable	$ 3,906,002	$	$ 6,503,405	$ 599,236	$	$ 10,526,308	$ 21,534,951
Salaries and benefits payable	6,862,526		1,566,657	2,871,418		3,623,265	14,923,866
Due to other funds	761,123					746,677	1,507,800
Due to other governments				602,856		2,695,548	3,298,404
Deposits from others	11,923					27,226	39,149
Deferred revenue	1,752,946	878,580	4,618,902	4,470,392		2,058,592	13,779,412
Advances from other funds						690,422	690,422
Total liabilities	13,294,520	878,580	12,688,964	8,543,902		20,368,038	55,774,004
Fund balances:							
Reserved for							
Encumbrances	5,284,586		203,033	417,729		14,606,649	20,511,997
Advances to other funds	500,000					190,422	690,422
Long term receivables	30,533,604						30,533,604
Loans to other governments	2,309,316						2,309,316
Other	5,851,528		8,601	27,650		423,382	6,311,161
Capital projects						10,025,580	10,025,580
Debt service						15,459,055	15,459,055
Unreserved							
Designated for							
Debt service	11,779,459						11,779,459
Contingencies	32,622,962						32,622,962
Carryover appropriations	5,247,073						5,247,073
Reported in							
General fund	23,010,511						23,010,511
Special revenue funds		100,353,891	7,334,254	3,056,519		53,235,417	163,980,081
Capital project funds					90,313,756	26,278,641	116,592,397
Debt service funds						716,295	716,295
Total fund balances	117,139,039	100,353,891	7,545,888	3,501,898	90,313,756	120,935,441	439,789,913
Total liabilities and fund balances	$ 130,433,559	$ 101,232,471	$ 20,234,852	$ 12,045,800	$ 90,313,756	$ 141,303,479	$ 495,563,917

The accompanying notes to the financial statements are an integral part of this statement

County of Stanislaus
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2007

Total fund balances for governmental funds (page 18)		$ 439,789,913
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Land	$ 38,381,111	
Infrastructure	320,833,307	
Structures and improvements	115,341,384	
Equipment	33,560,649	
Construction in progress	33,869,571	
Total capital assets		541,986,022
Investments - Joint ventures		16,189,422
Internal service funds are used by the County to charge the cost of general liability, unemployment, worker's compensation, dental, vision, & purchased insurance plus Central services, Fleet services, Technology & communication and Morgan garage to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the statement of net assets.		15,966,015
Some of the County's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are not recognized as revenue in the funds.		1,352,240
Costs of issuance that benefit future periods are recognized as expenditures in the funds.		3,286,263
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities--both current and long-term--are reported in the statement of net assets.		
Balances at June 30, 2007 are:		
Certificates of participation	$(105,236,041)	
Bonds payable	(84,358,405)	
Tobacco securitization notes	(107,860,625)	
Capital leases	(271,321)	
Accrued interest on long term debt	(3,616,536)	
Compensated absences	(25,406,112)	
Total long-term liabilities		(326,749,040)
Net assets of governmental activities (page 15)		$ 691,820,835

The notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2007

	General Fund	Tobacco Settlement	Behavioral Health and Recovery	Community Services Agency	Public Facility Fees	Other Governmental Funds	Total Governmental Funds
REVENUES:							
Taxes	$ 124,272,271	$	$	$	$	$ 18,060,725	$ 142,332,996
Licenses, permits and franchises	2,412,668			68,944		3,150,564	5,632,176
Fines, forfeitures and penalties	10,068,261		70,195			3,196,080	13,334,536
Revenue from use of money and property	8,136,726	4,312,960	639,683	4,740	4,479,785	6,419,950	23,993,844
Intergovernmental	71,294,198		37,483,625	209,685,011		80,597,363	399,060,197
Charges for services	40,788,386		17,605,490	2,459,975	14,528,279	29,628,323	105,010,453
Miscellaneous	1,770,356		29,353	861,963		6,854,422	9,516,094
Donation						3,736,752	3,736,752
Total revenues	258,742,866	4,312,960	55,828,346	213,080,633	19,008,064	151,644,179	702,617,048
EXPENDITURES:							
Current							
General government	35,786,236					1,056,902	36,843,138
Public protection	136,168,375		899,921			44,098,802	181,167,098
Public ways and facilities	453,293					27,685,548	28,138,841
Health and sanitation	6,089,500		60,427,969			51,015,095	117,532,564
Public assistance	389,461			218,076,682		15,483,913	233,950,056
Education	405,026					12,278,496	12,683,522
Recreation and cultural services	5,275,761					12,845	5,288,606
Capital outlay					34,415	18,071,100	18,105,515
Debt service							
Interest and fiscal charges	986		2,038	13,882		16,053,195	16,070,101
Principal	19,509		5,609	101,703		18,302,982	18,429,803
Total expenditures	184,588,147		61,335,537	218,192,267	34,415	204,058,878	668,209,244
Excess revenues over (under) expenditures	74,154,719	4,312,960	(5,507,191)	(5,111,634)	18,973,649	(52,414,699)	34,407,804
OTHER FINANCING SOURCES (USES)							
Capital lease proceeds				129,559			129,559
Transfers in	6,714,349		10,223,865	8,155,661		51,983,177	77,077,052
Transfers out	(70,127,785)	(2,274,984)	(1,158,432)	(2,318,496)	(9,185,698)	(6,208,599)	(91,273,994)
Loan proceeds						42,081,614	42,081,614
Sale of capital assets						15,401	15,401
Payment to refunded bond agent						(41,999,424)	(41,999,424)
Total other financing sources (uses)	(63,413,436)	(2,274,984)	9,065,433	5,966,724	(9,185,698)	45,872,169	(13,969,792)
Net change in fund balances	10,741,283	2,037,976	3,558,242	855,090	9,787,951	(6,542,530)	20,438,012
Fund balance -- beginning	106,397,756	98,315,915	3,987,646	2,646,808	80,525,805	127,477,971	419,351,901
Fund balances -- ending	$ 117,139,039	$ 100,353,891	$ 7,545,888	$ 3,501,898	$ 90,313,756	$ 120,935,441	$ 439,789,913

The accompanying notes to the financial statements are an integral part of this statement

County of Stanislaus
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2007

Net change in fund balances - total governmental funds (page 20)		$ 20,438,012
The change in net assets reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capital assets and infrastructure	$ 22,737,885	
Less current year depreciation	(27,158,417)	(4,420,532)
The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets		(7,482,197)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		(317,489)
Issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net assets		(42,211,173)
Repayments of debt principal and issuance premiums are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and premiums are amortized in the statement of activities.		
Repayments:		
Payment to refunded bond agent	$ 41,999,424	
Certificate of participation	10,227,776	
Other long-term debt	8,072,018	
Capital lease	114,614	
Amortization of issuance premium	62,590	60,476,422
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Ventura litigation settlement	$ 5,495,359	
Change in investment in joint ventures	(418,413)	
Change in accrued interest payable	(117,020)	
Change in Tobacco accreted interest payable	(2,680,981)	
Change in compensated absences	(911,060)	
Change in deferred charges	403,177	1,771,062
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities.		5,331,335
Change in net assets of governmental activities (page 17)		$ 33,585,440

The notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
Budget and Actual on Budgetary Basis
For the fiscal year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Revenues:				
Taxes	$ 125,408,281	$ 124,852,281	$ 124,272,269	$ (580,012)
Licenses, permits and franchises	2,191,640	2,191,640	2,412,668	221,028
Fines, forfeitures and penalties	5,849,293	5,892,109	10,068,261	4,176,152
Revenue from use of money and property	5,858,312	6,957,281	8,136,726	1,179,445
Intergovernmental revenue	69,851,400	70,502,703	71,294,198	791,495
Charges for services	39,171,798	39,748,197	40,788,386	1,040,189
Miscellaneous revenue	1,407,467	1,426,692	1,770,356	343,664
Total revenues	249,738,191	251,570,903	258,742,864	7,171,961
Expenditures: General				
Assessor				
Salaries and employee benefits	4,824,815	4,758,761	4,578,519	180,242
Services and supplies	484,116	591,129	566,536	24,593
Other charges	264,766	273,766	264,444	9,322
Expenditure transfer	50,500	50,500	47,638	2,862
Fixed assets		101,356	96,003	5,353
Total expenditures	5,624,197	5,775,512	5,553,140	222,372
Auditor-Controller				
Salaries and employee benefits	3,756,312	3,849,359	3,637,208	212,151
Services and supplies	257,642	347,642	235,142	112,500
Other charges	156,010	156,010	151,461	4,549
Expenditure transfer	(88,080)	(88,080)	(59,071)	(29,009)
Total expenditures	4,081,884	4,264,931	3,964,740	300,191
Board of Supervisors				
Salaries and employee benefits	757,828	765,613	721,540	44,073
Services and supplies	141,478	136,767	120,397	16,370
Other charges	22,520	23,126	19,840	3,286
Expenditure transfer	17,470	17,470	14,199	3,271
Total expenditures	939,296	942,976	875,976	67,000
Clerk of the Board				
Salaries and employee benefits	432,256	432,758	417,459	15,299
Services and supplies	74,915	104,678	68,914	35,764
Other charges	26,250	28,092	26,867	1,225
Expenditure transfer	8,920	8,920	7,452	1,468
Total expenditures	542,341	574,448	520,692	53,756
Chief Executive				
Salaries and employee benefits	4,881,624	4,817,596	4,108,289	709,307
Services and supplies	1,333,658	1,621,250	1,006,120	615,130
Other charges	172,340	215,074	206,976	8,098
Expenditure transfer	36,126	39,796	30,666	9,130
Total expenditures	6,423,748	6,693,716	5,352,051	1,341,665
Economic Development				
Services and supplies	404,407	906,407	798,197	108,210
Other charges	19,470	19,470	8,084	11,386
Expenditure transfer			497	(497)
Total expenditures	423,877	925,877	806,778	119,099

(Continued)

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the fiscal year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: General				
Purchasing Agent				
Salaries and employee benefits	553,128	528,608	415,705	112,903
Services and supplies	98,936	94,936	(30,423)	125,359
Other charges	23,135	27,135	24,610	2,525
Expenditure transfer	8,640	8,640	7,785	855
Total expenditures	683,839	659,319	417,677	241,642
C.A.R.E. Unit				
Services and supplies	55,824	55,824	48,070	7,754
Other charges	10,195	10,195	7,195	3,000
Expenditure transfer	17,035	17,035	15,221	1,814
Total expenditures	83,054	83,054	70,486	12,568
Risk Management				
Salaries and employee benefits	1,315,979	1,321,783	1,259,411	62,372
Services and supplies	104,195	108,751	101,118	7,633
Other charges	59,960	55,404	48,163	7,241
Expenditure transfer	5,070	5,070	2,752	2,318
Total expenditures	1,485,204	1,491,008	1,411,444	79,564
Capital Improvement Financing Authority				
Salaries and employee benefits	100,000	100,000	100,000	
Services and supplies	214,739	214,739	73,896	140,843
Total expenditures	314,739	314,739	173,896	140,843
Plant Acquisition				
Salaries and employee benefits	22,000	90,987	87,249	3,738
Services and supplies	5,785,274	4,636,990	2,683,217	1,953,773
Other charges	120,130	136,137	44,855	91,282
Fixed assets	1,328,000	1,343,090	584,687	758,403
Total expenditures	7,255,404	6,207,204	3,400,008	2,807,196
Appropriations for Contingencies				
Appropriations for contingencies	9,827,050	6,421,953		6,421,953
Total expenditures	9,827,050	6,421,953		6,421,953
County Facilities				
Services and supplies	713,454	709,755	70,561	639,194
Other charges	254	3,953	3,642	311
Expenditure transfer	80,800	80,800	1,381	79,419
Total expenditures	794,508	794,508	75,584	718,924

(Continued)

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the fiscal year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: General				
Elections Division				
Salaries and employee benefits	902,503	972,271	727,226	245,045
Services and supplies	3,433,949	3,335,949	1,104,918	2,231,031
Other charges	34,745	34,745	30,481	4,264
Expenditure transfer	91,600	103,600	98,788	4,812
Fixed assets	131,114	147,114	(93,905)	241,019
Total expenditures	4,593,911	4,593,679	1,867,508	2,726,171
County Counsel				
Salaries and employee benefits	1,951,145	2,094,383	2,005,410	88,973
Services and supplies	164,760	164,760	95,330	69,430
Other charges	50,359	50,359	47,503	2,856
Expenditure transfer	25,040	25,040	20,987	4,053
Total expenditures	2,191,304	2,334,542	2,169,230	165,312
Treasurer and Tax Collector				
Salaries and employee benefits	948,534	972,982	915,146	57,836
Services and supplies	309,456	284,456	124,258	160,198
Other charges	110,411	125,411	120,087	5,324
Expenditure transfer	96,172	136,172	100,772	35,400
Total expenditures	1,464,573	1,519,021	1,260,263	258,758
Revenue Recovery				
Salaries and employee benefits	1,137,790	1,154,290	1,117,318	36,972
Services and supplies	116,889	126,889	93,340	33,549
Other charges	211,788	256,288	238,379	17,909
Expenditure transfer	(671,310)	(597,310)	(585,436)	(11,874)
Fixed assets	15,000	15,000	15,000	
Total expenditures	810,157	955,157	878,601	76,556
CEO Match - Other Agencies				
Other charges	1,459,808	1,759,808	1,975,554	(215,746)
Total expenditures	1,459,808	1,759,808	1,975,554	(215,746)
Treasury				
Salaries and employee benefits	239,718	239,718	229,326	10,392
Services and supplies	221,296	217,296	115,225	102,071
Other charges	29,620	29,620	23,558	6,062
Expenditure transfer	161,580	165,580	164,795	785
Fixed assets	182,557	182,557	(27,397)	209,954
Total expenditures	834,771	834,771	505,507	329,264
Facility Maintenance				
Salaries and employee benefits	3,609,954	3,272,311	3,157,141	115,170
Services and supplies	5,185,622	5,728,249	5,207,396	520,853
Other charges	160,120	210,386	184,129	26,257
Expenditure transfer	(2,536,602)	(2,612,656)	(2,476,366)	(136,290)
Total expenditures	6,419,094	6,598,290	6,072,300	525,990

(Continued)

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the fiscal year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: General				
CEO - Econ Development Bank				
Services and supplies	5,385,366	5,385,366	(30,165)	5,415,531
Other charges	71,576	71,576	(42,271)	113,847
Total expenditures	5,456,942	5,456,942	(72,436)	5,529,378
General Services Agency				
Salaries and employee benefits	283,365	359,949	326,700	33,249
Services and supplies	35,000	43,383	40,809	2,574
Other charges		6,928	3,433	3,495
Expenditure transfer		586	278	308
Total expenditures	318,365	410,846	371,220	39,626
Debt Service				
Expenditure transfer	(724,696)	(724,696)	(724,697)	1
Total expenditures	(724,696)	(724,696)	(724,697)	1
Expenditures: Public Protection				
Agricultural Commissioner				
Salaries and employee benefits	2,767,106	2,609,231	2,543,807	65,424
Services and supplies	387,764	519,863	486,703	33,160
Other charges	202,903	191,028	182,832	8,196
Expenditure transfer	227,380	233,380	232,074	1,306
Fixed assets	172,013	344,013	213,847	130,166
Total expenditures	3,757,166	3,897,515	3,659,263	238,252
Animal Services				
Salaries and employee benefits	2,097,180	1,977,180	1,880,543	96,637
Services and supplies	653,204	795,704	696,331	99,373
Other charges	235,060	235,060	229,807	5,253
Expenditure transfer	5,190	5,190	8,204	(3,014)
Fixed assets	15,000	31,500	30,812	688
Total expenditures	3,005,634	3,044,634	2,845,697	198,937
Office of Emergency Services				
Salaries and employee benefits	753,633	803,061	773,197	29,864
Services and supplies	180,596	357,930	352,186	5,744
Other charges	593,089	672,180	640,346	31,834
Expenditure transfer		1,200	1,200	
Fixed assets	64,625	246,625	215,959	30,666
Total expenditures	1,591,943	2,080,996	1,982,888	98,108
County Court Funding				
Salaries and employee benefits		29,903	29,902	1
Services and supplies	670,752	531,843	168,080	363,763
Other charges	5,775,144	6,566,150	5,906,041	660,109
Expenditure transfer	926,599	926,599	897,024	29,575
Total expenditures	7,372,495	8,054,495	7,001,047	1,053,448

(Continued)

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the fiscal year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: Public Protection				
Recorder Division				
Salaries and employee benefits	1,526,129	1,302,512	1,265,358	37,154
Services and supplies	183,432	142,599	92,781	49,818
Other charges	245,570	215,192	213,722	1,470
Expenditure transfer	125,200	125,200	120,171	5,029
Fixed assets	169,774	169,774	134,774	35,000
Total expenditures	2,250,105	1,955,277	1,826,806	128,471
District Attorney				
Salaries and employee benefits	11,801,876	11,851,920	11,381,589	470,331
Services and supplies	473,362	698,162	672,078	26,084
Other charges	656,612	733,312	731,930	1,382
Expenditure transfer	84,530	42,530	38,989	3,541
Fixed assets	40,000	48,200	48,126	74
Total expenditures	13,056,380	13,374,124	12,872,712	501,412
Planning				
Salaries and employee benefits	1,564,953	1,607,202	1,472,723	134,479
Services and supplies	257,448	122,478	(80,884)	203,362
Other charges	40,050	48,829	47,176	1,653
Expenditure transfer	18,410	18,410	15,467	2,943
Total expenditures	1,880,861	1,796,919	1,454,482	342,437
Probation				
Salaries and employee benefits	1,514,110	1,668,936	1,660,310	8,626
Services and supplies	615,736	614,736	499,407	115,329
Other charges	586,827	586,827	78,008	508,819
Expenditure transfer		1,000	620	380
Fixed assets	135,670	135,670	97,398	38,272
Total expenditures	2,852,343	3,007,169	2,335,743	671,426
Probation - Casework				
Salaries and employee benefits	9,160,454	9,320,796	8,585,192	735,604
Services and supplies	577,397	577,397	373,523	203,874
Other charges	241,130	241,130	233,521	7,609
Expenditure transfer	168,260	168,260	146,094	22,166
Fixed assets	327,372	327,372	300,092	27,280
Total expenditures	10,474,613	10,634,955	9,638,422	996,533
Probation - Institutions				
Salaries and employee benefits	6,647,752	6,714,624	5,858,981	855,643
Services and supplies	778,671	778,671	816,639	(37,968)
Other charges	194,163	194,163	168,677	25,486
Expenditure transfer	240,790	240,790	237,375	3,415
Fixed assets	133,639	133,639	125,685	7,954
Total expenditures	7,995,015	8,061,887	7,207,357	854,530
Public Defender				
Salaries and employee benefits	4,996,949	5,163,950	4,919,899	244,051
Services and supplies	325,120	334,620	327,611	7,009
Other charges	213,090	230,090	215,958	14,132
Expenditure transfer	273,426	303,426	282,416	21,010
Total expenditures	5,808,585	6,032,086	5,745,884	286,202

(Continued)

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the fiscal year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: Public Protection				
Indigent Defense				
Services and supplies	2,213,519	2,755,519	2,754,508	1,011
Total expenditures	2,213,519	2,755,519	2,754,508	1,011
Sheriff's Administration				
Salaries and employee benefits	2,554,193	3,053,288	2,947,491	105,797
Services and supplies	738,033	828,033	719,285	108,748
Other charges	227,970	241,970	239,749	2,221
Expenditure transfer	2,000	1,000	(2,047)	3,047
Fixed assets	60,206	60,206	(14,727)	74,933
Total expenditures	3,582,402	4,184,497	3,889,751	294,746
Sheriff's Operations				
Salaries and employee benefits	25,150,502	26,832,718	25,523,175	1,309,543
Services and supplies	2,667,016	2,870,866	2,546,686	324,180
Other charges	4,147,411	4,326,411	4,176,181	150,230
Expenditure transfer	(456,910)	(458,910)	(453,210)	(5,700)
Fixed assets	156,234	803,034	751,176	51,858
Total expenditures	31,664,253	34,374,119	32,544,008	1,830,111
Sheriff's Detention				
Salaries and employee benefits	26,313,434	26,655,589	25,113,793	1,541,796
Services and supplies	3,866,566	3,982,702	3,517,167	465,535
Other charges	1,021,385	1,232,563	1,014,601	217,962
Expenditure transfer	919,980	919,980	878,539	41,441
Fixed assets	157,000	182,000	14,244	167,756
Total expenditures	32,278,365	32,972,834	30,538,344	2,434,490
Court Security				
Salaries and employee benefits	3,228,673	3,271,873	3,048,245	223,628
Services and supplies	9,106	9,106	7,263	1,843
Other charges	11,320	11,320	9,120	2,200
Expenditure transfer	52,540	60,674	54,787	5,887
Total expenditures	3,301,639	3,352,973	3,119,415	233,558
Sheriff's Contract Cities				
Salaries and employee benefits	5,295,428	5,445,703	5,044,639	401,064
Services and supplies	195,143	195,143	152,121	43,022
Other charges	1,084,133	1,084,133	935,885	148,248
Expenditure transfer	37,800	37,800		37,800
Fixed assets	15	15	(15)	30
Total expenditures	6,612,519	6,762,794	6,132,630	630,164
Grand Jury				
Salaries and employee benefits	45,969	46,569	42,525	4,044
Services and supplies	46,366	45,766	40,872	4,894
Other charges	6,190	6,190	4,639	1,551
Expenditure transfer	23,293	23,293	23,018	275
Total expenditures	121,818	121,818	111,054	10,764

(Continued)

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the fiscal year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: Public Protection				
CEO Ray Simon Training Center				
Salaries and employee benefits		177,611	166,221	11,390
Services and supplies	33,000	46,500	36,669	9,831
Other charges	6,950	7,950	8,443	(493)
Expenditure transfer	284,394	274,394	278,827	(4,433)
Total expenditures	324,344	506,455	490,160	16,295
Expenditures: Public Ways and Facilities				
Airport				
Services and supplies	184,566	228,867	228,867	
Total expenditures	184,566	228,867	228,867	
CEO Crows Landing Air Facility				
Services and supplies	860,020	860,020	251,916	608,104
Total expenditures	860,020	860,020	251,916	608,104
Expenditures: Health and Sanitation				
CEO Jail Medical				
Services and supplies	5,986,918	6,121,291	6,060,584	60,707
Total expenditures	5,986,918	6,121,291	6,060,584	60,707
Expenditures: Public Assistance				
Veteran's Services				
Salaries and employee benefits	314,555	354,434	307,694	46,740
Services and supplies	26,579	26,579	23,202	3,377
Other charges	10,520	10,520	10,458	62
Expenditure transfer	4,600	4,600	4,220	380
Total expenditures	356,254	396,133	345,574	50,559
Board of Supervisors - Community Support				
Services and supplies	45,000	45,000	45,000	
Total expenditures	45,000	45,000	45,000	
Expenditures: Education				
Cooperative Extension				
Salaries and employee benefits	284,366	284,366	259,114	25,252
Services and supplies	46,577	46,577	20,729	25,848
Other charges	49,370	49,370	42,173	7,197
Expenditure transfer	53,454	53,454	58,708	(5,254)
Fixed assets	24,772	24,772	(138)	24,910
Total expenditures	458,539	458,539	380,586	77,953

(Continued)

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the fiscal year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: Recreation and Cultural Services				
Parks and Recreation				
Salaries and employee benefits	2,534,038	2,409,038	2,305,219	103,819
Services and supplies	1,604,343	1,721,008	1,525,531	195,477
Other charges	546,220	671,220	656,500	14,720
Expenditure transfer	505,390	505,390	496,840	8,550
Fixed assets	332,256	629,143	406,321	222,822
Total expenditures	5,522,247	5,935,799	5,390,411	545,388
Parks - Master Plan				
Services and supplies	349,156	379,970	57,651	322,319
Total expenditures	349,156	379,970	57,651	322,319
Tuolumne River Regional Park				
Services and supplies	174,184	174,184	174,184	
Fixed assets		1,000,000		1,000,000
Total expenditures	174,184	1,174,184	174,184	1,000,000
Total Expenditures - General Fund	215,384,253	221,458,474	186,010,466	35,448,008
Excess of revenue over expenditures	34,353,938	30,112,429	72,732,398	42,619,969
Other financing sources (uses):				
Capital lease proceeds				
Transfers in	5,567,817	8,268,621	6,714,349	(1,554,272)
Transfers out	(60,061,729)	(66,325,742)	(70,127,785)	(3,802,043)
Total other financing sources (uses)	(54,493,912)	(58,057,121)	(63,413,436)	(5,356,315)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(20,139,974)	(27,944,692)	9,318,962	37,263,654
Fund balance -- beginning	(4,926,218)	(3,652,637)	102,391,368	106,044,005
Fund balance -- ending	$ (25,066,192)	$ (31,597,329)	$ 111,710,330	$ 143,307,659

The accompanying notes to the financial statements are an integral part of this statement

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
Behavioral Health and Recovery - Special Revenue Fund
Budget and Actual on the Budgetary Basis
For the fiscal year ended June 30, 2007

	Budgeted Amounts		Actual amount on the	Variance with
	Original Budget	Final Budget	Budgetary basis	Final Budget
Revenues				
Fines, forfeitures, and penalties	$ 44,000	$ 44,000	$ 70,194	$ 26,194
Revenue from use of money and property	59,500	157,800	639,683	481,883
Intergovernmental revenue	39,738,522	40,240,598	37,483,625	(2,756,973)
Charges for services	18,817,623	18,924,499	17,605,490	(1,319,009)
Miscellaneous revenue	41,726	41,726	29,353	(12,373)
Total revenues	58,701,371	59,408,623	55,828,345	(3,580,278)
Expenditures				
Public Protection				
Salaries and employee benefits	590,481	620,745	544,120	76,625
Services and supplies	85,957	85,957	74,606	11,351
Other charges	109,557	141,984	150,123	(8,139)
Expenditure transfer	117,148	117,148	129,499	(12,351)
Total Public Protection	903,143	965,834	898,348	67,486
Health and Sanitation				
Salaries and employee benefits	28,872,954	29,378,781	27,267,770	2,111,011
Services and supplies	34,258,001	33,688,773	29,296,100	4,392,673
Other charges	4,033,147	3,888,452	3,552,868	335,585
Fixed assets	235,252	375,252	160,704	214,548
Expenditure transfer	(117,148)	(117,145)	(129,499)	12,353
Total Health and Sanitation	67,282,206	67,214,113	60,147,943	7,066,170
Total expenditures	68,185,349	68,179,947	61,046,291	7,133,656
Excess (deficiency) of revenues over (under) expenditures	(9,483,978)	(8,771,324)	(5,217,946)	3,553,378
Other financing sources (uses)				
Transfers in	10,167,081	10,590,160	10,223,865	(366,295)
Transfers out	(422,088)	(422,088)	(1,158,432)	(736,344)
Capital lease proceeds				
Total other financing sources (uses)	9,744,993	10,168,072	9,065,433	(1,102,639)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	261,015	1,396,748	3,847,487	2,450,739
Fund balance - beginning	4,192,909	4,192,909	4,192,909	
Fund balance - ending	$ 4,453,924	$ 5,589,657	$ 8,040,396	$ 2,450,739

The accompanying notes to the financial statements are and integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
Community Services Agency - Special Revenue Fund
Budget and Actual on the Budgetary Basis
For the fiscal year ended June 30, 2007

	Budgeted Amounts		Actual amount	
	Original Budget	Final Budget	on the Budgetary basis	Variance with Final Budget
Revenues				
Licenses, permits and franchises	$ 74,833	$ 74,833	$ 68,944	$ (5,889)
Revenue from use of money and property			4,740	4,740
Intergovernmental revenue	226,810,751	221,758,251	209,685,011	(12,073,240)
Charges for services	2,239,600	2,189,054	2,459,975	270,921
Miscellaneous revenue	1,029,515	1,054,912	861,963	(192,949)
Total revenues	230,154,699	225,077,050	213,080,633	(11,996,417)
Expenditures				
Public Assistance				
Salaries and employee benefits	62,867,271	60,772,782	55,971,939	4,800,843
Services and supplies	19,021,692	20,020,189	18,032,027	1,988,162
Other charges	156,617,454	152,383,288	143,853,419	8,529,869
Fixed assets	204,500	1,156,974	787,472	369,502
Total expenditures	238,710,917	234,333,233	218,644,857	15,688,376
Excess (deficiency) of revenues over (under) expenditures	(8,556,218)	(9,256,183)	(5,564,224)	3,691,959
Other financing sources (uses)				
Transfers in	8,769,302	8,541,076	8,155,661	(385,415)
Transfers out	(1,485,308)	(1,005,549)	(2,318,496)	(1,312,947)
Capital lease proceeds		238,574	129,559	(109,015)
Total other financing sources (uses)	7,283,994	7,774,101	5,966,724	(1,807,377)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,272,224)	(1,482,082)	402,500	1,884,582
Fund balance - beginning	2,570,756	2,570,756	2,570,756	
Fund balance - ending	$ 1,298,532	$ 1,088,674	$ 2,973,256	$ 1,884,582

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Net Assets
Proprietary Funds
June 30, 2007

	Business-type Activities - Enterprise Funds					Governmental Activities
	Fink Road Sanitary Landfill	Geer Road Sanitary Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
ASSETS:						
Current Assets:						
Cash and investments	$ 7,485,629	$ 47,750	$	$ 3,212,805	$ 10,746,184	$ 34,562,271
Accounts receivable, net	661,196		9,865,154	3,365,185	13,891,535	483,606
Interest and other receivables	144,475	19,579		20,439	184,493	198,920
Inventory			424,763	31,812	456,575	355,221
Deposit with others						571,730
Due from other funds			16,351		16,351	
Prepaid items			93,034		93,034	17,629
Total current assets	8,291,300	67,329	10,399,302	6,630,241	25,388,172	36,189,377
Noncurrent assets						
Investments with fiscal agent	43,735		163,265		207,000	
Restricted cash and investments	15,318,990	3,495,592			18,814,582	
Land	14,491,341	1,906,261			16,397,602	
Structures and improvements	3,785,755		11,649,603	7,417,746	22,853,104	990,773
Equipment	1,817,477	14,239	6,444,863	3,614,859	11,891,438	21,642,601
Less Accumulated depreciation	(1,524,830)	(5,873)	(15,782,080)	(3,701,546)	(21,014,329)	(15,746,776)
Net capital assets	18,569,743	1,914,627	2,312,386	7,331,059	30,127,815	6,886,598
Total noncurrent assets	33,932,468	5,410,219	2,475,651	7,331,059	49,149,397	6,886,598
Total assets	$ 42,223,768	$ 5,477,548	$ 12,874,953	$ 13,961,300	$ 74,537,569	$ 43,075,975
LIABILITIES:						
Current liabilities						
Accounts payable	$ 121,850	$ 30,126	$ 1,725,371	$ 656,077	$ 2,533,424	$ 1,163,266
Interfund note payable - current			1,381,637		1,381,637	
Salaries and benefits payable	51,915		1,013,669	475,813	1,541,397	224,270
Due to other funds			5,319,953	5,253,732	10,573,685	88,145
Deposits from others	28,617				28,617	
Risk management liability - current						9,138,652
Capital leases - current			41,145		41,145	
Compensated absences - current	3,678		95,948	24,785	124,411	43,239
Long-term obligations - current			160,440		160,440	
Total current liabilities	206,060	30,126	9,738,163	6,410,407	16,384,756	10,657,572
Noncurrent liabilities						
Estimated cost of landfill closure/postclosure	5,187,808	8,339,746			13,527,554	
Interfund note payable			18,070,441		18,070,441	
Risk management liability						14,077,645
Compensated absences	159,288		1,160,192	546,329	1,865,809	449,030
Long term obligations			721,216		721,216	
Total noncurrent liabilities	5,347,096	8,339,746	19,951,849	546,329	34,185,020	14,526,675
Total liabilities	5,553,156	8,369,872	29,690,012	6,956,736	50,569,776	25,184,247
NET ASSETS (DEFICIT):						
Invested in capital assets, net of related debt	18,569,743	1,914,627	1,389,585	7,331,059	29,205,014	6,886,598
Restricted	15,410,043	3,515,773			18,925,816	
Unrestricted	2,690,826	(8,322,724)	(18,204,644)	(326,495)	(24,163,037)	11,005,130
Total net assets (deficit)	$ 36,670,612	$ (2,892,324)	$ (16,815,059)	$ 7,004,564	23,967,793	$ 17,891,728
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					1,925,713	
Net assets of business type activities					$ 25,893,506	

The accompanying notes to the financial statements are an integral part of this statement

County of Stanislaus
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the fiscal year ended June 30, 2007

	Business-type Activities - Enterprise Funds					Governmental Activities
	Fink Road Sanitary Landfill	Geer Road Sanitary Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
Operating revenues						
Charges for services	$ 5,316,885	$	$ 32,732,432	$ 15,623,693	$ 53,673,010	$ 65,198,987
Total operating revenues	5,316,885		32,732,432	15,623,693	53,673,010	65,198,987
Operating expenses						
Salaries and benefits	1,081,175		19,628,877	10,049,570	30,759,622	4,312,852
Services and supplies	2,356,926		24,907,069	8,659,444	35,923,439	56,632,381
Depreciation	579,889	712	323,841	455,797	1,360,239	1,408,879
Estimated cost of closure/postclosure	477,110				477,110	
Total operating expenses	4,495,100	712	44,859,787	19,164,811	68,520,410	62,354,112
Operating income (loss)	821,785	(712)	(12,127,355)	(3,541,118)	(14,847,400)	2,844,875
Nonoperating revenues (expenses)						
Investment income	1,392,448	170,978	(430,256)	(99,028)	1,034,142	1,574,095
Interest expense			(960,634)		(960,634)	(13)
Gain (loss) on sale of capital assets			(14,465)		(14,465)	42,108
Intergovernmental			448,809	3,097,744	3,546,553	554,719
Total nonoperating revenues	1,392,448	170,978	(956,546)	2,998,716	3,605,596	2,170,909
Income (loss) before capital contributions and transfers	2,214,233	170,266	(13,083,901)	(542,402)	(11,241,804)	5,015,784
Transfers in		450,000	15,301,752	581,154	16,332,906	402,067
Transfers out	(479,985)		(411,250)	(1,242,984)	(2,134,219)	(403,812)
Capital contributions						62,214
Changes in net assets	1,734,248	620,266	1,806,601	(1,204,232)	2,956,883	5,076,253
Total net assets (deficit) - beginning	34,936,364	(3,512,590)	(13,395,101)	8,208,796		12,815,475
Prior period adjustment			(5,226,559)			
Total net assets (deficit) - beginning - restated	34,936,364	(3,512,590)	(18,621,660)	8,208,796		12,815,475
Total net assets (deficit) - ending	$ 36,670,612	$ (2,892,324)	$ (16,815,059)	$ 7,004,564		$ 17,891,728
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(255,081)	
Change in net assets of business type activities					$ 2,701,802	

The accompanying notes to the financial statements are an integral part of this statement

County of Stanislaus
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2007

	Business-type Activities - Enterprise Funds					Governmental Activities
	Fink Road Landfill	Geer Road Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:						
Cash received from customers and users	$ 5,317,207	$	$ 30,085,791	$ 15,911,204	$ 51,314,202	$ 64,774,670
Cash received (paid) from interfund services			2,786,956	1,552,079	4,339,035	86,514
Cash paid to suppliers	(2,358,670)	(509,360)	(21,207,177)	(8,672,618)	(32,747,825)	(56,660,521)
Cash paid for interfund services			(3,711,265)			(394,076)
Cash paid to employees	(1,098,765)		(20,663,226)	(10,164,395)	(31,926,386)	(4,452,032)
Net cash provided (used) by operating activities	1,859,772	(509,360)	(12,708,921)	(1,373,730)	(9,020,974)	3,354,555
Cash flows from noncapital financing activities						
Transfers in		450,000	15,301,752	581,154	16,332,906	402,067
Advances from other funds						
Payment on interfund note payable			(1,105,213)		(1,105,213)	
Borrowed from other funds				91,559	91,559	
Subsidy from state and federal grant			448,809	3,097,744	3,546,553	554,719
Transfers out	(479,985)		(411,250)	(1,242,984)	(2,134,219)	(403,812)
Net cash provided (used) by noncapital financing activities	(479,985)	450,000	14,234,098	2,527,473	16,731,586	552,974
Cash flows from capital and related financing activities						
Sale of capital assets			133,904		133,904	42,108
Purchase of capital assets	(704,790)		(71,216)		(776,007)	(2,320,300)
Capital contributions						62,214
Principal payment - capital leases			(170,930)		(170,930)	(3,051)
Principal payment - long term debt			(152,800)		(152,800)	
Interest income			9,684			
Interest paid			(1,273,819)		(1,273,819)	(13)
Net cash (used) by capital and related financing activities	(704,790)		(1,525,177)		(2,239,652)	(2,219,042)
Cash flows from investing activities						
Interest received	1,388,760	170,978		(99,028)	1,460,710	1,574,095
Net cash provided by investing activities	1,388,760	170,978		(99,028)	1,460,710	1,574,095
Net increase (decrease) in cash and cash equivalents	2,063,757	111,618		1,054,715	3,230,090	3,262,582
Cash and equivalents - beginning	20,740,862	3,431,724		2,158,090	26,330,676	31,299,689
Cash and equivalents - ending	$ 22,804,619	$ 3,543,342	$	$ 3,212,805	$ 29,560,766	$ 34,562,271
Reconciliation of cash and cash equivalents to the Statement of Net Assets						
Cash and investments	$ 7,485,629	$ 47,750	$	$ 3,212,805	$ 10,746,184	$ 34,562,271
Restricted cash and investments	15,318,990	3,495,592			18,814,582	
Total cash and cash equivalents	$ 22,804,619	$ 3,543,342	$	$ 3,212,805	$ 29,560,766	$ 34,562,271

The accompanying notes to the financial statements are an integral part of this statement

County of Stanislaus
Statement of Cash Flows (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2007

	Business-type Activities - Enterprise Funds					Governmental Activities
	Fink Road Landfill	Geer Road Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	$ 821,785	$ (712)	$ (12,127,355)	$ (3,541,118)	$ (14,847,400)	$ 2,844,875
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Depreciation	579,889	712	323,841	455,797	1,360,239	1,408,879
(Increase) decrease in accounts receivable	16,204		1,028,964	307,536	1,352,704	(406,893)
(Increase) decrease in other receivables	(15,882)	(649)	(2,900,992)	(5,071)	(2,922,594)	(25,447)
(Increase) decrease in inventory			104,120	(14,954)	89,166	(48,949)
(Increase) decrease in prepaid items			(30,680)		(30,680)	56,972
(Increase) decrease in due from other funds			30,963	1,552,079	1,583,042	
(Increase) decrease in deposits with others						
Increase (decrease) in accounts payable and accrued liabilities	(1,744)	16,355	434,939	(13,174)	436,376	(115,451)
Increase (decrease) in salaries and benefits payable	(18,144)		(1,059,451)	(114,749)	(1,192,344)	(163,286)
Increase (decrease) in liability for compensated absences	554		25,102	(76)	25,580	24,106
Increase (decrease) in due to other funds/goverments			1,461,628		1,461,628	(307,562)
Increase (decrease) in estimated cost of closure/postclosure	477,110	(525,066)			(47,956)	
Increase (decrease) in risk management liability						87,311
Net cash provided (used) by operating activities	$ 1,859,772	$ (509,360)	$ (12,708,921)	$ (1,373,730)	$ (12,732,239)	$ 3,354,555

The accompanying notes to the financial statements are an integral part of this statement

County of Stanislaus
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2007

	Employees' Retirement Trust	Investment Trust	Agency Funds	Total
ASSETS				
Cash and investments	$ 23,688,701	$ 504,532,219	$ 14,248,027	$ 542,468,947
Accounts receivable (net of allowance for uncollectables)		6,308,626		6,308,626
Interest and dividends	6,501,006			6,501,006
Securities transactions	7,994,032			7,994,032
Contributions	2,652,474			2,652,474
Other receivable	787	3,930,577	87	3,931,451
Interfund note receivable		19,452,078		19,452,078
Other assets	3,564,407	15,143,709		18,708,116
Investments:				
Bonds	437,356,009			437,356,009
Stocks	989,988,998			989,988,998
Collateral on loaned securities	271,317,033			271,317,033
Total assets	1,743,063,447	549,367,209	14,248,114	2,306,678,770
LIABILITIES				
Accounts payable	281,341,409	22,113,462	2,965,120	306,419,991
Salaries and benefits payable		243,356		243,356
Trust obligations		5,364,821	11,282,994	16,647,815
Deferred revenue		1,154,435		1,154,435
Total liabilites	281,341,409	28,876,074	14,248,114	324,465,597
NET ASSETS				
Net assets held in trust for pension benefits/investment pool participants	$ 1,461,722,038	$ 520,491,135	$	$ 1,982,213,173

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2007

	Employees' Retirement Trust	Investment Trust
Additions:		
Contributions:		
Employer contributions	$ 32,562,514	$
Member contributions	20,542,837	
Contributions on pooled investments		3,438,382,609
Total contributions	53,105,351	3,438,382,609
Investment income:		
Net appreciation in fair value	168,870,674	
Interest	42,215,153	27,867,041
Dividends	12,415,905	
Miscellaneous income	237,950	
Less investment expense	(16,547,770)	
Net investment income	207,191,912	27,867,041
Total additions	260,297,263	3,466,249,650
Deductions:		
Benefit payments	67,599,163	
Refunds of prior contributions	2,730,463	
Distributions from pooled investments		3,484,453,330
Administrative expense	1,980,926	
Total deductions	72,310,552	3,484,453,330
Change in net assets	187,986,711	(18,203,680)
Net assets held in trust - beginning	1,275,608,550	538,694,815
Net assets held in trust - beginning - restated	1,273,735,327	
Net assets held in trust - ending	$ 1,461,722,038	$ 520,491,135

The accompanying notes to the financial statements are an integral part of this statement.

Note 1: Summary of Significant Accounting Policies

This summary of significant accounting policies of the County of Stanislaus (the County) is presented to assist in understanding the County's financial statements. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

A. Reporting Entity

The accounting methods and procedures adopted by the County conform to generally accepted accounting principles as applied to governmental entities. These financial statements present the government and its component units, legally separate entities for which the government is considered to be financially accountable under the criteria set by Governmental Accounting Standards Board (GASB) Statement No. 14.

Reported component units on the County's financial statements can be blended or discretely presented. Blended component units, although legally separate entities, are in substance, part of the government's operations. Blended component units are an extension of the County and so data from these units are combined with the data of the primary government. Each component unit has a June 30th year-end.

Blended Component Units

1. Redevelopment Agency of the County of Stanislaus ("Agency"): The Agency was established by the County as a separate legal entity in accordance with state law. It is governed by the five members of the County Board of Supervisors. The purpose of the Agency is to acquire, rehabilitate, and revitalize property within legally designated redevelopment areas. The Agency provides service solely to the County and is reported as a capital projects fund.

2. Stanislaus County Capital Improvements Financing Authority ("Authority"): The Authority was established on September 1, 1989, as a separate legal entity whose sole purpose is to provide financing for various County capital projects. It is governed by the five members of the County Board of Supervisors. The activity for the Authority is reported as a debt service fund.

3. Lighting Districts: The County has 25 different, legally separate lighting districts whose boards are the same as the County Board of Supervisors. The County's approval is needed to set the districts' budget and to set assessment rates. The activity for the lighting districts is reported in a special revenue fund.

Note 1: **Summary of Significant Accounting Policies** (continued)

A. **Reporting Entity** (continued)

Blended Component Units (continued)

4. Stanislaus County Tobacco Funding Corporation ("Stanislaus Corporation"): The Stanislaus Corporation was established per Board resolution on November 7, 2000 as a separate legal entity pursuant to California Corporations Code. Three directors, two from the County and one independent, govern it. Its purpose is to acquire from the County all of the rights of the County future tobacco settlement payments and to borrow money secured by the County tobacco assets on behalf of the California County Tobacco Securitization Agency (see Note 16). The Corporation provides service solely to the County and is reported as a debt service fund.

5. In-Home Supportive Services Public Authority of Stanislaus County ("Public Authority"): The Public Authority was established on December 9, 2004 as a separate legal entity pursuant to Welfare and Institutions Code Section 12301.6. It is governed by the five members of the County Board of Supervisors. The purpose of the Public Authority is to implement the goals and objectives of the In-Home Supportive Services Program. The Public Authority is reported as a special revenue fund.

B. **Basis of Presentation**

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. The government-wide statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

In the government-wide statements, eliminations have been made to minimize the double counting of certain internal activities. In the statement of net assets, all internal balances have been eliminated except those representing the net balance due between governmental and business type activities. This residual balance is reported as "internal balances." In the statement of activities, direct expenses such as services provided and used are not eliminated, but internal service fund activity has been eliminated.

Note 1: **Summary of Significant Accounting Policies** (continued)

B. **Basis of Presentation** (continued)

Government-Wide Financial Statements (continued)

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated administrative overhead. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net assets are available, unrestricted resources are used only after the restricted resources are depleted.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Non-operating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, health and sanitation, public assistance, education and recreation services.

- The *Tobacco Settlement Fund* was established to account for the proceeds from securitizing the County's share of tobacco settlement revenues. Currently the proceeds are restricted to use for capital expenditures. The intent is to preserve the initial amount and to distribute 80% of the annual investment earnings to the General Fund.

Note 1: **Summary of Significant Accounting Policies** (continued)

B. **Basis of Presentation** (continued)

Fund Financial Statements (continued)

- The *Behavioral Health and Recovery Fund* was established to provide mental health services to the residents of the County under the provisions of Welfare and Institutions Codes 5600 and 5000. This includes residential/support treatment services, outpatient treatment services, and an array of education and prevention services. The primary source of revenues is from intergovernmental sources and charges for services.

- The *Community Services Agency Fund* was established for the administration of the three major public social programs including financial assistance, social services, and employment services. Intergovernmental revenue is the primary source of financing for this fund.

- *Public Facility Fees* were established by the Board of Supervisors adoption of Resolution No. 89-1724 for the purpose of reducing the impact of a growing community on existing County resources. The fees are charged to new development based on the need for facilities to maintain the existing level of service. The fee benefits the following departments and programs: roads, detention, criminal justice, library, parks, public and mental health, emergency services, animal services and sheriff.

The County reports the following major enterprise funds:

- The *Fink Road Sanitary Landfill Fund* was established to account for the operation of Fink Road Sanitary Landfill, which provides a dumping site for the disposal of solid wastes. Revenues are derived from fees generated for the disposal of waste at the site.

- The *Geer Road Sanitary Landfill Fund* was established to account for the operation of Geer Road Sanitary Landfill, which provided a dumping site for the disposal of solid waste. The landfill is owned jointly with the City of Modesto.

- The *Health Clinics and Ancillary Services Fund* was established to account for health care operations in outpatient clinics throughout the County. Revenues are derived from fees for patient services, payments from federal and state programs such as Medicare and Medi-Cal, private insurance, and subsidies from the County.

Note 1: **Summary of Significant Accounting Policies** (continued)

B. **Basis of Presentation** (continued)

Fund Financial Statements (continued)

The County reports the following additional fund types:

- *Internal Service Funds* account for the County's fleet maintenance, communication, technology, and other services provided to departments or other governments. They also account for self-insurance programs – worker's compensation, long-term disability, employee benefits, and personal injury and property damage on a cost-reimbursement basis.

- The *Employees' Retirement Trust* accumulates contributions from the County, its employees and other participating employers, and earnings from the fund's investments. Disbursements are made from the fund for retirement, disability and death benefits (based on a defined benefit formula) and administrative expenses. This fund includes all assets of the Stanislaus County Employees Retirement Association (StanCERA).

- The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County Treasurer in an investment portfolio for the benefit of all participants. These entities include school and community college districts and other special districts governed by local boards, regional boards and authorities. The fund represents the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.

- The *Agency Funds* account for assets held by the County as an agent for individuals, private organizations, or other governments.

C. **Basis of Accounting**

The government-wide, proprietary, pension and investment trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

Note 1: **Summary of Significant Accounting Policies** (continued)

C. **Basis of Accounting** (continued)

Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available ("susceptible to accrual"). The County considers revenues available if they are collected within 180 days after year-end, except for property taxes. Property taxes are considered available if they are collected within 60 days after year-end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

For its business-type activities and enterprise funds, the County has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting,* to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes generally accepted accounting principles for governmental units.

D. **Budgetary Basis of Accounting**

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Ordinance. This ordinance mandates the maximum authorized

Note 1: **Summary of Significant Accounting Policies** (continued)

D. **Budgetary Basis of Accounting** (continued)

expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

An operating budget is adopted each fiscal year for the General Fund and all special revenue funds except the Tobacco Settlement Fund. An operating balanced budget is adopted for the capital project funds for the life of the project, except for the Redevelopment Agency, the Courthouse Construction Fund and the Criminal Justice Facilities Fund, which adopt an operating budget each fiscal year. A budget is not adopted for the Public Facility Fees Capital project fund as those dollars are transferred and budgeted in other funds. Expenditures are controlled at the object level within budget units. A budget unit may be (1) a single department, (2) a division of a large department having multiple divisions, or (3) an entire fund. The object level within a budget unit is the level at which expenditures may not legally exceed appropriations. Any transfers of appropriations between object levels within the same budget unit may be authorized by the County Executive Office. Budget amendments or supplementary appropriations normally financed by unanticipated revenues during the year or transfers of appropriations between budget units must be approved by the Board of Supervisors. Budgeted amounts in the budgetary comparison schedules are reported as originally adopted and as amended during the fiscal year by resolutions approved by the Board of Supervisors.

The budgets for the governmental funds may include an object level known as "expenditure transfers". This object level is an accounting mechanism used by the County to show reimbursements between operations within the same fund (an example would be the General Fund).

The amounts reported on the budgetary basis differ from the basis used to present the basic financial statements in accordance with generally accepted accounting principles (GAAP). Annual budgets are prepared on the modified accrual basis of accounting except that current year encumbrances and commitments are budgeted as expenditures.

The following schedule reconciles the amounts on the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual on Budgetary Basis to the amounts on the Statement of Revenues, Expenditures and Changes in Fund Balances:

Note 1: **Summary of Significant Accounting Policies** (continued)

D. **Budgetary Basis of Accounting** (continued)

	General Fund	Special Revenue Funds: Behavioral Health and Recovery	Special Revenue Funds: Community Services Agency
Total expenditures (budgetary basis)	$ 186,010,466	$ 61,046,291	$ 218,644,857
Basis difference - net addition of 2005/06 encumbrances and commitments minus 2006/07 encumbrances and commitments	(1,422,319)	289,246	(452,590)
Total Expenditures (GAAP)	$ 184,588,147	$ 61,335,537	$ 218,192,267

E. **Cash and Cash Equivalents**

Cash and cash equivalents include cash in bank and investments held by the County Treasurer in a cash management pool. The amounts classified as "Investments with Fiscal Agent" represent loan proceeds held by the trustees for various borrowings (See Note 11) and securitized tobacco settlement proceeds invested outside the County Pool.

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer's investment pool, to be cash equivalents.

F. **Investments**

California Government Code Section 53600, et seq., authorizes the County to invest in obligations of the State or any local agency of the State of California, bankers' acceptances, commercial paper, negotiable certificates of deposits, repurchase agreements or reverse repurchase agreements, medium-term notes issued by corporations and the State of California Local Agency Investment Fund. The County may also invest in certain open-ended mutual funds permitted by the Government Code. All investments are carried at fair value until they are within 90 days of maturity at which time they are reported at amortized cost. Interest earned on pooled investments is apportioned quarterly to certain participating funds based upon each fund's average daily deposit balance with all remaining interest deposited in the General Fund.

The tobacco securitization proceeds are invested under a separate policy approved by the County Board of Supervisor's on January 29, 2002. The policy authorizes the County to invest in obligations outlined in California Government Code Section 53600, et seq., with no investment having a greater maturity date than the final

Note 1: **Summary of Significant Accounting Policies** (continued)

F. **Investments** (continued)

maturity of any tobacco settlement asset-backed bond. All investments are reported at fair value.

The Employees' Retirement Trust (StanCERA) funds are invested pursuant to policy guidelines established by the Retirement System's Board. The objective of the investment policy is to invest in a manner that provides the safeguards and diversity that a prudent investor would adhere to. The policy of StanCERA is to invest in the following asset classes: Large Cap US Stocks, Small Cap US Stocks, Non US Stocks and Fixed Income. Investments are stated at fair value.

G. **Deferred Revenue**

The County reports deferred revenue on its financial statements. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the County receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability of deferred revenue is removed from the financial statements and revenue is recognized.

H. **Inventory**

In governmental funds, inventories are valued at cost. In proprietary funds, they are valued at lower of cost or market. Cost is determined by using either the weighted average or the first-in, first-out method. The consumption method of accounting for inventory is used for the governmental funds and the proprietary funds. For the governmental funds, the reserve for inventory indicates that a portion of the fund balance is not an available financial resource (see Note 13).

I. **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

J. **Capital Assets**

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain assets (infrastructure) consisting of roads, bridges, lighting systems, drainage systems, and flood control improvements. The County defines

Note 1: **Summary of Significant Accounting Policies** (continued)

J. **Capital Assets** (continued)

capital assets, other than infrastructure, as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year, with the exception of the Health Clinics and Ancillary Services Enterprise Fund. The Health Clinics and Ancillary Services Enterprise Fund defines capital assets as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of three years. In addition to these individual assets, the library's books are capitalized together as one collection.

Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide and proprietary funds statements, with the exception of patrol cars and landfill cell development. The units of production method is used for depreciation on patrol cars and landfill cells.

The estimated useful lives are as follows:

Infrastructure	20 to 60 years
Structures and improvements	15 to 60 years
Equipment	3 to 20 years
Patrol cars	100,000 miles
Landfill Cell	1,960,000 cubic yards

The County has seven networks of infrastructure assets – roads, bridges, lighting system, storm drains, signs, signals and beacons.

K. **Compensated Absences (Accrued Vacation, Sick Leave, and Compensatory Time)**

All regular employees of the County earn vacation and sick leave with pay every year. The amount of vacation and sick hours earned is based on the years of continuous service and the bargaining unit to which the employee belongs. All employee bargaining units have vacation accumulation limits. Regular employees are given credit for 8 hours sick leave each month of employment with limited accumulation.

After at least six months of County service, most regular employees, upon separation, are entitled to all unused vacation time accumulation. Most regular employees are entitled to a portion of accumulated sick leave after six years of service, depending on age, years of service, and bargaining unit.

At the close of each fiscal year, the balance of this accumulated time is computed for each employee at the current salary range. In the financial statements, these

Note 1: **Summary of Significant Accounting Policies** (continued)

K. **Compensated Absences (Accrued Vacation, Sick Leave, and Compensatory Time)** (continued)

amounts are referred to as "compensated absences." A ten-year average of all termination payments is used to compute the amount that is expected to be liquidated in the next year with expendable available financial resources. This current portion and the balance of the long-term liability are reported in the government-wide statements, the enterprise and internal service funds financial statements and are generally liquidated by the General Fund.

L. **Interfund Transactions**

Interfund transactions include loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/due from" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Advances to other funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available financial resources.

Services or supplies provided can result, at year-end, in receivables and payables referred to as "due to/from other funds". These receivables and payables are eliminated in the governmental-wide consolidation with residual balances reported as "internal balances" when they are between funds of the County.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the government-wide presentation.

M. **Estimates**

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2: **Restatement of Equity**

The beginning net assets of the Employees' Retirement Trust Fund has been restated to reflect an overstatement of an accrual relating to contributions.

The beginning net assets of the Health Clinics & Ancillary Services fund has been restated to reflect an overstatement of year-end receivable accruals.

	Employees' Retirement Trust	Health Clinics and Ancillary Services
Net assets held in trust/ Net assets June 30, 2006, as previously reported	$ 1,275,608,550	$ (13,395,101)
Prior period adjustment due to an overstatement of receivables		(5,226,559)
Prior period adjustment due to an overstatement of an accrual	1,873,223	
Net assets held in trust/ Net assets July 1, 2006, as restated	$ 1,273,735,327	$ (18,621,660)

Note 3: **Individual Fund Deficits**

Net Asset Deficits - Proprietary Funds	
Enterprise fund - Geer Road Landfill	$ 2,892,324
Enterprise fund - Health Clinics and Ancillary Services	16,815,059
Internal Service fund - Purchased Insurance	91,546

The deficit in the Geer Road Landfill is due to the liability for closure/post closure maintenance. This accumulated deficit will be funded with receipts from Fink Road Landfill. The Health Clinics and Ancillary Services Fund deficit is due to the closure of the County hospital inpatient facilities in November 1997 and the rising cost of health care. The plan to recover this deficit focuses on transfers from other funds, increased fees for service, and increased reimbursement from the Federal government as a Federally Qualified Health Center Look-Alike.

The internal service fund deficit is due to unexpected expenses in combination with user rates that were too low. This deficit will be funded by increased user charges.

Note 4: **Excess of Actual Expenditures Over Budget in Individual Budget Units**

For the year ended June 30, 2007, expenditures exceeded budget at the department and object level as follows:

General Fund	Object	Excess Expenditures
CEO Match-Other Agencies	Other charges	$ 215,746
Probation - Institutions	Services and supplies	$ 37,968
CEO Ray Simon Training Center	Other charges	$ 493

Note 4: **Excess of Actual Expenditures Over Budget in Individual Budget Units** (continued)

The above disclosure is based on departmental appropriations as of June 30, 2007. If a department received unanticipated revenue during the fiscal year and did not increase estimated revenue and appropriations, then the positive effect on the department budget would not be reflected in the above.

Note 5: **Cash and Investments**

The County maintains a cash and investment pool - Stanislaus County Treasurer's Pool - for the purpose of increasing interest income through investment activities. This pool, which is available for use by all funds, is displayed on the statement of net assets/balance sheet as "cash and investments." The Stanislaus County Treasurer's Pool generally limits participation in the pool to those agencies and districts required to participate by legal provisions of the California State Government Code for those agencies and districts. Voluntary participation is limited to the Stanislaus County Employees Retirement System (StanCERA) and independent special districts, which represent approximately 3% of the pool. While StanCERA participates in the County Treasurer's Pool, the majority of their cash and investments are managed separately from the County Pool. The County has no legally binding guarantees to support the shares in the County Treasurer's Pool.

The share of each fund in the Stanislaus County Treasurer's Pool is separately accounted for and interest is apportioned quarterly based on the relationship of the fund's average daily cash balance to the total of the pooled cash and investments. In accordance with Government Code Section 53647, interest on all money deposited in the County Treasury belongs to the County unless otherwise directed by law or the County Board of Supervisors. The County has numerous funds in which the interest earned is deposited into the General Fund to comply with the above code section.

The Stanislaus County Treasurer's Pool is not SEC-registered, but is invested in accordance with California State Government Code section 53600 et. seq. California State Government Code requires the formation of an Investment Oversight Committee, which is charged with overseeing activity in the pool for compliance to policy and code requirements. To this end, the Oversight Committee reviews the monthly investment report prior to presentation to the Board of Supervisors and causes an audit of investments to occur annually.

In addition to the restrictions and guidelines of the Government Code, cash and investments with the County Treasurer are invested pursuant to investment policy guidelines established by the County Treasurer and accepted by the Board of Supervisors. The objectives of the policy are, in order of priority, legality of investment, safety of principal, liquidity and yield.

Note 5: **Cash and Investments** (continued)

Total County cash and investments are as follows:

Cash and Investments		
Imprest cash	$	124,758
Cash in banks-department administered		10,722,844
In custody of Treasurer:		
Cash on hand		156,038
Cash in bank		9,141,906
Investments held by Treasurer		878,272,453
Less outstanding checks		(52,379,260)
Total in custody of Treasurer		835,191,137
Investments held by fiscal agents:		
Tobacco settlement		100,353,891
Tobacco funding corporation		4,818,113
General fund		1,034,668
Stock investment		43,735
Bond requirements		20,758,688
Total investments held by agents		127,009,095
Employees' retirement trust:		
Cash (outside Treasurer's pool)		18,630,454
Investments		1,698,662,040
Total cash and investments	$	2,690,340,328

Total County cash & investments are reported as follows:

Primary government		
Cash and investments	$	297,615,383
Investments with fiscal agent		127,009,093
Restricted cash & investments		24,584,865
Employees' retirement trust		
Cash and investments		23,688,701
Other investments		1,698,662,040
Investment trust - cash and investments		504,532,219
Agency funds - cash and investments		14,248,027
Total cash and investments	$	2,690,340,328

Note 5: **Cash and Investments** (continued)

Interest Rate Risk - This is the risk of loss due to the fair value of an investment falling because of rising interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

- *Stanislaus County Treasurer's Pool.* The County's policy for interest rate risk allows investments to be sold prior to maturity at a loss if such sale will allow investment in a higher yield vehicle and any loss upon sale can be more than compensated by additional interest earning within a six month period. Of the County's $888 million portfolio, over 67% of the investments have a maturity of 1 year or less. No investment has maturity greater than 4 years.

- *Stanislaus County Tobacco Settlement Investment Portfolio.* This portfolio, under a separate investment policy, includes Municipal bonds with maturities of up to 30 years that are sensitive to interest rate changes. These bonds are all insured, which tends to reduce interest rate risk.

- *StanCERA's Investment Portfolio.* StanCERA's average effective duration of all fixed income holdings, reflecting all instruments including Collateralized Mortgage Obligations and Asset-Backed Securities, must be maintained at plus or minus 1.5 years of the Lehman Aggregate bond index duration. At year end the Lehman Aggregate Bond Index was yielding 5.69% with an effective duration of 4.7 years. StanCERA had a yield of 5.91% with an effective duration of 3.75 years.

Credit Risk - This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

- *Stanislaus County Treasurer's Pool.* The County is permitted to hold investments of issuers with a short-term rating of "A-1" and a minimum long-term rating of "A" by two of the top nationally recognized statistical rating organizations (rating agencies). Additionally, the County is permitted to invest in U.S. Treasuries, Government Sponsored Enterprises (Agencies), the State's Local Agency Investment Fund and collateralized certificates of deposit that are un-rated.

- *Stanislaus County Tobacco Settlement Investment Portfolio.* This portfolio includes insured, triple A rated Municipal bonds that make up 48% of the portfolio. The rest of the portfolio is invested in money market and mutual funds with maturities of less than one year.

- *StanCERA's Investment Portfolio.* Under StanCERA policy, the fixed income portfolio must have an average quality rating of A or better in the aggregate as measured by at least one credit rating service. Investment grade quality is defined as BBB rated or higher at time of purchase. In cases where credit rating agencies assign different quality ratings to a security, the lower rating will be used. Should the rating of a fixed income

Note 5: **Cash and Investments** (continued)

Credit Risk (continued)

security fall below investment grade, the manager may continue to hold the security if they believe the security will be upgraded in the future, there is a low risk of default, and buyers will continue to be available throughout the anticipated holding period. The manager has the responsibility of notifying the StanCERA Board whenever an issue falls below investment grade. The notification should include the manager's assessment of the issue's credit rating and its ongoing role in the portfolio.

The following table shows the quality of StanCERA's investments in fixed income securities on June 30, 2007.

Credit Rating	Active Management	Fixed Income Securties Amount
AAA	66.30%	$ 289,947,233
AA	1.71%	7,485,707
A	10.24%	44,783,593
BAA	11.93%	52,173,100
BA	4.41%	19,298,753
B1	3.45%	15,097,748
CAA	1.96%	8,569,875
	100.00%	$ 437,356,009

Custodial Credit Risk-deposits - In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

- *Stanislaus County Treasurer's Pool and other deposits.* At year-end, Stanislaus County had no custodial credit risk exposure to any depository financial institution. As per State of California Government Code (Section 53630 – 53683), our depository banks, i.e., Bank of the West, Union Bank of California, and US Bank collateralize Stanislaus County public funds with eligible securities having a market value of at least 110% of the actual amount on deposit. These securities are maintained with the third party custodians. The collateral is held in a pool based on the bank's total public deposits. The County did not have deposits in any foreign currency.

- *StanCERA's Investment Portfolio.* At year end, StanCERA had no custodial credit risk exposure to any depository financial institution. All deposits are placed with a custodial bank. The custodian is responsible for maintaining an adequate level of collateral in an amount equal to 102% of the market value of loaned securities. Collateral received may include cash, letters of credit, or securities. If securities collateral is received, StanCERA cannot pledge or sell securities collateral unless the borrower defaults.

Custodial Credit Risk-investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Note 5: **Cash and Investments** (continued)

Custodial Credit Risk-investments (continued)

- *Stanislaus County Treasurer's Pool and Stanislaus County Tobacco Settlement Investment Portfolio.* All negotiable instruments are held by the County's custodian or a third party in the County's name. The County did not participate in securities lending. The investment policy prohibits investment in instruments denominated in a foreign currency.

- *StanCERA's Investment Portfolio.* State statutes and Board of Retirement Investment Policy permit StanCERA to participate in a securities lending program. StanCERA's custodial bank administers its securities lending program. At year-end, StanCERA had no custodial credit risk exposure to borrowers because the amounts StanCERA owed to borrowers exceeded the amounts the borrowers owed to StanCERA. StanCERA's contract with the custodian requires it to indemnify StanCERA if the borrower fails to return the securities and the collateral is inadequate to replace the securities lent or fail to pay StanCERA for income distributions by securities issuers while securities are on loan.

  As of June 30, 2007, StanCERA had securities on loan with a carrying value of $264,897,923 and cash collateral of $271,317,033. The accrued market value of loaned securities was $271,861,415. The types of securities lent were U.S. Government and Agencies, U.S. Corporate Fixed Income and U.S. Equities. There are no restrictions on the amount of securities that may be lent.

Foreign Currency Risk – This is the risk that changes in exchange rates may adversely affect the fair value of an investment

- *StanCERA's Investment Portfolio.* StanCERA's external investment managers may invest in international securities and must follow StanCERA's Investment Guidelines pertaining to these types of investments

  The fair value, in US dollars, of StanCERA's foreign currency at June 30, 2007 was $300,104,028, distributed as follows:

Currency	*Fair Vaue (in US $)*	*Currency*	*Fair Vaue (in US $)*	*Currency*	*Fair Vaue (in US $)*
Australian Dollar	$ 15,741,918	French Franc	$ 22,800,663	Norwegian Krone	$ 3,290,240
Austrian Schilling	1,369,623	Greek Drachma	920,515	Portuguese Escudo	1,850,765
Belgian Franc	1,447,977	Hong Kong Dollar	3,411,514	Renminbi Yuan	609,588
Bermudan Dollar	1,907,355	Indian Rupee	1,243,620	Russian New Ruble	2,623,155
Brazilian Real	2,597,740	Irish Pound	1,456,573	Singapore Dollar	4,854,114
British Pound Sterling	55,630,575	Israeli Shekel	610,050	South African Rand	1,741,326
Canadian Dollar	10,669,709	Italian Lira	8,560,537	South Korean Won	4,424,802
Cayman Island	31,928	Japanese Yen	49,017,206	Spanish Peseta	8,266,320
Danish Krone	1,930,031	Malaysian Ringgit	639,768	Swedish Krona	6,881,643
Deutche Mark	28,369,176	Mexican Nuevo Peso	2,002,615	Swiss Franc	17,882,233
Euro Currency	809,409	Netherland Guilder	8,661,887	US Dollar	20,815,679
Finnish Markka	4,490,718	New Taiwan Dollar	2,543,056		

Note 5: **Cash and Investments** (continued)

Concentration of Credit Risk - This is the risk of loss due to a large concentration of investments in any one issuer. Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are not considered at risk.

- *Stanislaus County Treasurer's Pool.* Over 90% of the County's investments, including collateral on repurchase agreements, were in the U.S. Government or Government Sponsored Enterprises (Agencies). The following Agencies each comprised more than 5% of the pool investments:

Federal National Mortgage Association	*34.13%*
Federal Home Loan Mortgage Corporation	*21.16%*
Federal Home Loan Bank	*20.25%*
U.S. Treasury Securities	*7.92%*
Federal Farm Credit Bank	*7.30%*

  Of the 10% of the portfolio invested in other types of investments, no investment in a single issuer exceeds 5%.

- *Stanislaus County Tobacco Settlement Investment Portfolio.* This portfolio includes California State Municipals bonds that comprise 6% of the portfolio.

- *StanCERA's Investment Portfolio.* StanCERA's policy requires that not more than 5% of the total StanCERA stock portfolio, valued at market, may be held in the common stock of any one corporation. Not more than 5% of the outstanding shares of any one company may be held. Individual investment managers are to hold no more than 8% of the market value of the manager's entire stock portfolio in any one company's stock. Not more than 25% of the stock valued at market may be held in any one industry category, as defined by the Retirement Association's consultant, without special permission from the StanCERA Board.

  With the exception of securities issued by the U.S. Government and its agencies, no single fixed income issue will represent more than 5% of the total portfolio as measured by market value at time of purchase. Holdings of any individual issue must be 5% or less of the value of the total issue.

  At June 30, 2007, StanCERA had the following investments:

Fixed Income Securities	
U S Treasuries	$ 59,455,268
Single Family Mortgage Backed Securities	169,866,154
Multi Family Mortgage Backed Securities	7,696,201
Collateralized Mortgage Backed Securities	14,673,526
Federal Agency	14,250,658
Asset Backed	10,487,132
Corporate Bonds	160,927,070
	$ 437,356,009
Equities	
Domestic	$ 610,698,844
International	300,104,028
Mutual Funds	79,186,126
	271,317,033
Collateral on loaned securities	
Total Investments	$ 1,698,662,040

Note 5: **Cash and Investments** (continued)

Concentration of Credit Risk (continued)

The following schedule indicates the credit and interest rate risk at June 30, 2007. The credit ratings listed are for the lower of Standard and Poor's or Moody's Investor Services. Certain investments such as U.S. Treasuries and the State's Local Agency Investment Fund are un-rated.

Stanislaus County Investments
Maturity Distribution - Fair Value (000's)
6/30/2007

		Maturity									
	Credit Rating	< 30 Days	31 - 60 Days	61 - 90 Days	91 - 180 Days	181 - 360 Days	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years	Total
Bank Certificate of Deposit		10,000									10,000
Local Agency Investment Fund	Unrated	24,993									24,993
FFCB Note	AAA	5,000			19,943		39,889				64,832
FNMA Note	AAA						20,000		24,649		44,649
FHLB Note	AAA				39,894	49,953	69,909		19,950		179,706
FHLMC Note	AAA					20,182		24,643	24,593		69,418
FHLMC Discount Note - (Term Repo)	AAA	37,245	37,245								74,490
FNMA Discount Note - (Term Repo)	AAA		81,604								81,604
FNMA Discount Note	A-1	24,965	29,871	24,770	19,712	77,362					176,680
FHLMC Discount Note	A-1			24,753		19,196					43,949
Treasury Note	N/A		9,974			20,100	40,207				70,281
Corporate Note	A			3,012		5,038	5,026				13,076
Corporate Note	AA					7,351	26,584				33,935
Total Treasury Pool Investments		102,203	158,694	52,535	79,549	199,182	201,615	24,643	69,192	0	887,613
Money Market Funds	Unrated	99									99
Commercial Paper	A-1/P-1	4,719									4,719
Total Tobacco Funding Corp Investments		4,818	0	0	0	0	0	0	0	0	4,818

		Maturity									
	Credit Rating	< 30 Days	31 - 360 Days	1 - 3 Years	3 - 5 Years	5 - 10 Years	10 - 15 Years	15 - 20 Years	20 - 25 Years	25 - 30 Years	Total
Money Market Funds	Unrated	23,445									23,445
Mutual Funds	Unrated	28,509									28,509
Municipal Bonds - Insured	AAA	0	0	0	0	6,468	6,172	20,401	7,162	8,196	48,399
Total Tobacco Settlement Investments		51,954	0	0	0	6,468	6,172	20,401	7,162	8,196	100,353
Money Market/Mutual Funds	Unrated	14,678									14,678
Investment Agreements	Unrated				1,063	81	1,792	3,145			6,081
Total Bond Requirements		14,678	0	0	1,063	81	1,792	3,145	0	0	20,759

Note 5: **Cash and Investments** (continued)

In accordance with GASB No. 31, investments are reported on the statement of net assets/balance sheet at their fair value and all changes in fair value are reflected in income of the period in which they occur. Fair values were obtained from our custodial statement for all investments having greater than 90 days to maturity in the following categories:

U.S. Agency and GSE Bonds and Notes
U.S. Treasury Bonds, Notes and Bills
Corporate Bonds and Notes

Amortized cost was used for all investments having 90 days or less to maturity, which may include the following categories:

Commercial Paper
State of California Local Agency Investment Fund
U.S. Agency and GSE Bonds and Notes
U.S. Treasury Bonds, Notes and Bills
Repurchase Agreements
Corporate Bonds and Notes
Money Market Funds

Book cost was used for collateralized Certificates of Deposit purchased from state and nationally chartered banks.

During the fiscal year the County Treasurer's Pool included investments in negotiable Certificates of Deposit as well a those investments owned at June 30, 2007.

The Stanislaus County Treasurer's Pool maintains some investment in the State of California Local Agency Investment Fund (L.A.I.F.). The total amount invested by all public agencies in L.A.I.F. at June 30, 2007 was $19.7 billion. L.A.I.F. is part of the State of California Pooled Money Investment Account (P.M.I.A.) whose balance at June 30, 2007 was $65.6 billion. Of this amount, 0.20% was invested in derivative financial products. P.M.I.A. is not SEC-registered, but is required to invest according to California State Code. The average maturity of P.M.I.A. investments was 176 days as of June 30, 2007.

The Local Investment Advisory Board (Board) has oversight responsibility for L.A.I.F. The Board consists of five members as designated by state statute. The value of the pool shares in L.A.I.F., which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the pooled treasury's portion in the pool. Withdrawals from L.A.I.F. are done on a dollar to dollar basis.

In accordance with GASB 31, investments are marked to fair values annually and an adjustment is made to each fund accordingly. However, actual daily activity is done on a dollar to dollar basis and only a withdrawal from the pool of a size that jeopardizes pool participants would cause the withdrawal to be done at market value.

Note 5: **Cash and Investments** (continued)

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool at June 30, 2007:

Statement of Net Assets	
Net assets held for pool participants	$ 835,191,137
Equity of external pool participants	$ 520,491,135
Equity of internal pool participants	314,700,002
Total Equity	$ 835,191,137

Statement of Changes in Net Assets	
Net assets at July 1, 2006	$ 849,683,221
Net investment income	47,450,732
Net contributions and withdrawls	61,942,816
Net assets at July 1, 2007	$ 835,191,137

Stanislaus County Treasurer's Pool
Summary of Investments
6/30/2007

	Fair Value	Dollar Cost	Interest Rate Range		Maturity Range	
Certificate of Deposit	$ 10,000,000	$ 10,000,000	5.20%	5.20%	07/05/07	07/05/07
LAIF	24,986,111	25,000,000	5.17%	5.17%	07/01/07	07/01/07
Federal Agency - Coupon	358,353,500	360,299,947	3.50%	5.25%	07/02/07	09/28/10
Federal Agency - Discount	220,628,500	216,258,448	4.86%	5.34%	07/05/06	02/23/07
Treasury - Coupon	70,280,600	70,188,868	2.75%	5.63%	08/15/07	05/15/09
Repurchase Agreement- Roll	6,921,401	6,921,401	5.34%	5.34%	07/01/07	07/01/07
Repurchas Agreement - Term	140,000,000	140,000,000	5.24%	5.25%	07/20/07	08/30/07
Corporate Note	47,010,907	47,911,102	3.40%	7.63%	09/15/07	04/01/09
Total	$ 878,181,019	$ 876,579,766				

Note 6: **Interfund Transactions**

Interfund Receivables/Payables

The compositions of interfund balances as of June 30, 2007 are as follows:

Due To/From Other Funds

Receivable Fund	Payable Fund	Amount	
General Fund	Other Governmental Funds	$ 603,426	To cover deficit cash balance
General Fund	Health Clinics and Ancillary Services	5,319,953	To cover deficit cash balance
General Fund	Internal Service Funds	88,145	To cover deficit cash balance
		6,011,524	Sub total
Behavioral Health & Recovery	General Fund	293,510	For services provided
Behavioral Health & Recovery	Other Enterprise Funds	5,253,732	To cover deficit cash balance
Community Services Agency	General Fund	58,836	For services provided
Community Services Agency	Other Governmental Funds	143,251	To cover deficit cash balance
Other Governmental Funds	General Fund	392,426	State realignment
Health Clinics and Ancillary Services	General Fund	16,351	State realignment
		6,158,106	Sub total
		$ 12,169,630	Total

Advances To/From

Receivable Fund	Payable Fund	Amount	
General Fund	Other Governmental Funds	$ 500,000	Long term loan
Other Governmental Funds	Other Governmental Funds	190,422	Long term loan
		$ 690,422	

The General Fund has loaned the Redevelopment Agency $400,000 for administrative costs that will be recovered through property taxes. The General Fund has loaned the Public Works department $100,000 for dangerous building abatement. Within the other governmental funds, the Public Works Road Division loaned the Redevelopment Agency for improvements to the Shackelford area.

Interfund Note payable/receivable

Receivable Fund	Payable Fund	Amount
Investment Trust Fund	Health Clinics and Ancillary Services	$ 19,452,078

The Health Clinics and Ancillary Services Fund has borrowed long-term from the Investment Trust Fund. The note is expected to be repaid with interest by July 2020. The interest will be credited each fiscal year end based on the Treasurer's pool rate. Annual transfers from the County's General Fund to the Health Services Agency will be the source of funds to retire the note

Note 6: **Interfund Transactions** (continued)

Transfers

Transfer from	Transfer to	Amount	Purpose
General Fund	Community Services Agency	$ 8,138,841	County progrm contributions
	Behavioral Health and Recovery	8,840,197	County progrm contributions
	Other Governmental Funds	39,392,839	County progrm contributions and debt service
	Health Clinics and Ancillary Services	13,240,486	County program contribution
	Other Enterprise Funds	215,422	County program contribution
	Internal Serivce Funds	300,000	County program contribution
		70,127,785	
Tobacco Settlement	General Fund	2,274,984	Interest distribution
		2,274,984	
Behavioral Health and Recovery	Community Services Agency	16,820	Contributions to joint programs
	Other Governmental Funds	775,880	To pay debt service
	Other Enterprise Funds	365,732	Reimburse administrative costs of program
		1,158,432	
Community Services Agency	Other Governmental Funds	2,318,496	Contributions to programs and debt service
		2,318,496	
Public Facility Fees	General Fund	2,837,070	Capital assets purchases
	Behavioral Health and Recovery	400,000	Capital assets purchases
	Other Governmental Funds	5,948,628	Capital assets purchases
		9,185,698	
Other Governmental Funds	General Fund	1,602,295	Various contributions to programs
	Other Governmental Funds	2,632,949	Various contributions to programs and debt service
	Health Clinics and Ancillary Services	1,973,355	Various contributions to programs
		6,208,599	
Health Clinics and Ancillary Services	Other Governmental Funds	411,250	To pay debt service
		411,250	
Other Enterprise Funds	Behavioral Health and Recovery	983,668	Reimburse administrative costs of programs
	Other Governmental Funds	259,316	To pay debt service
		1,242,984	
Fink Landfill	Geer Landfill	450,000	Landfill closure/post-closure
	Other Governmental Funds	29,985	To pay debt service
		479,985	
Internal Service Funds	Other Governmental Funds	213,834	Insurance reimbursment and debt service
	Health Clinics and Ancillary Services	87,911	Insurance reimbursment
	Internal Service Funds	102,067	Insurance reimbursment for Fleet vehicle
		403,812	
		$ 93,812,025	

Note 7: Capital Assets

Capital asset activity for the year ended June 30, 2007 was as follows:

	Balance July 1, 2006	Additions	Retirements	Adjustments & Transfers	Balance June 30, 2007
Governmental Activities					
Capital assets, not being depreciated:					
Land	$ 37,631,254	$ 504,520	$ -	$ 245,337	$ 38,381,111
Construction in progress	40,384,888	10,174,623	-	(16,689,940)	33,869,571
Total capital assets, not being depreciated	78,016,142	10,679,143	-	(16,444,603)	72,250,682
Capital assets, being depreciated:					
Infrastructure	979,480,247	3,185,900	(4,237,040)	-	978,429,107
Structures and improvements	156,947,329	2,359,738	(23,579)	9,519,429	168,802,917
Equipment	65,945,876	8,716,746	(3,326,056)	7,004,940	78,341,506
Total capital assets, being depreciated	1,202,373,452	14,262,384	(7,586,675)	16,524,369	1,225,573,530
Less accumulated depreciation for:					
Infrastructure	(637,278,912)	(24,553,928)	4,237,040	-	(657,595,800)
Structures and improvements	(48,000,448)	(4,624,823)	5,895	-	(52,619,376)
Equipment	(35,246,304)	(6,013,198)	2,523,086	-	(38,736,416)
Total accumulated depreciation	(720,525,664)	(35,191,949)	6,766,021	-	(748,951,592)
Total capital assets, being depreciated, net	481,847,788	(20,929,565)	(820,654)	16,524,369	476,621,938
Government activities capital assets, net	$ 559,863,930	$ (10,250,422)	$ (820,654)	$ 79,766	$ 548,872,620
Business-type Activities					
Capital assets, not being depreciated:					
Land	$ 16,397,602	$ -	$ -	$ -	$ 16,397,602
Total capital assets, not being depreciated	16,397,602	-	-	-	16,397,602
Capital assets, being depreciated:					
Structures and improvements	23,174,393		(321,289)		22,853,104
Equipment	11,491,646	776,006	(459,748)	83,534	11,891,438
Total capital assets, being depreciated	34,666,039	776,006	(781,037)	83,534	34,744,542
Less accumulated depreciation for:					
Structures and improvements	(12,831,404)	(814,094)	318,054		(13,327,444)
Equipment	(7,243,902)	(763,106)	320,123		(7,686,885)
Total accumulated depreciation	(20,075,306)	(1,577,200)	638,177	-	(21,014,329)
Total capital assets, being depreciated, net	14,590,733	(801,194)	(142,860)	83,534	13,730,213
Business-type activities capital assets, net	$ 30,988,335	$ (801,194)	$ (142,860)	$ 83,534	$ 30,127,815

Note 7: **Capital Assets** (continued)

Depreciation expense was charged to governmental functions as follows:

	Equipment	Structures and Improvements	Infrastructure	Total
General government	$ 479,533	$ 918,221	$ -	$ 1,397,754
Public protection	1,234,529	2,282,383	-	3,516,912
Public ways	12,707	48,514	20,316,888	20,378,109
Health and sanitation	512,596	135,404	-	648,000
Public assistance	227,338	649,927	-	877,265
Education	1,941,604	203,686	-	2,145,290
Recreation	157,782	361,917	-	519,699
Internal service funds	1,384,110	24,769	-	1,408,879
Total	$ 5,950,199	$ 4,624,821	$ 20,316,888	$ 30,891,908

Depreciation expense was charged to the business-type functions as follows:

	Equipment	Structures and Improvements	Total
Transit	$ 246,655	$ -	$ 246,655
Fink Road Landfill	95,100	484,789	579,889
Geer Road Landfill	712		712
Behavioral Health Center	7,357	183,516	190,873
Health Clinics and Ancillary Services	186,035	137,806	323,841
Inmate Welfare/Commissary	12,287	5,982	18,269
	$ 548,146	$ 812,093	$ 1,360,239

Note 8: **Receivables**

Accounts receivable, net of allowance for uncollectibles, includes receivables from federal, state, and local governments in the net amount of $27,384,914. Patient accounts receivable at Health Clinics and Ancillary Services of $28,622,631 net of an allowance for uncollectibles of $18,757,477, leaves a net receivable of $9,865,154. Substantially all other receivables are deemed collectible.

At June 30, 2007, deferred revenue and unearned revenue were reported as follows:

Governmental Activities:	Unavailable	Unearned
General fund:		
Property taxes receivable	$ 242,538	
Accounts receivable	204,006	
Interest receivable	14,266	
Advanced deposits for animal services		$ 45,027
Grant drawdowns prior to meeting all eligibility requirements		1,247,110
Behavioral Health and Recovery		
Grant drawdowns prior to meeting all eligibility requirements		4,618,902
Tobacco Settlement		
Interest receivable	878,580	
Community Services Agency:		
Grant drawdowns prior to meeting all eligibility requirements		4,470,392
Nonmajor funds:		
Accounts receivable	12,850	
Grant drawdowns prior to meeting all eligibility requirements		2,045,741
	$ 1,352,240	$ 12,427,172

Note 9: **Property Taxes**

The County's property taxes are levied July 1 (Unsecured Roll) and October 1 (Secured Roll) on assessed values established on the lien date of the previous January 1 for all taxable property located within the County. Local assessed values are determined, subject to appeal before the Assessment Appeals Board, by the County Assessor's Office. Locally assessed real property is appraised at the base year value and is adjusted each year after 1975 by the change in the California Consumer Price Index (CPI) not to exceed an increase of 2%. Property is re-appraised from the 1975/76 base year value to current full value upon either (1) a change in ownership, or (2) new construction, as of the date of such transaction or completion of construction (only the newly constructed portion of the property is re-appraised). Thereafter, it continues to be increased annually by the change in the CPI not to exceed 2%. The total gross assessed value for the 2006/2007 fiscal year is $39,472,427,882.

The County is permitted by Section 93, of the California Revenue and Taxation Code, to levy taxes up to $1.00 per $100 of assessed valuation for general governmental services other than the payment of principal and interest on general obligation bonds or other indebtedness approved by a two-thirds vote of its voters after June 4, 1986. Taxes are allotted to local agencies and school districts as outlined in Sections 95 through 100 of the California Revenue and Taxation Code.

Taxes are due in one installment (Unsecured Roll) on billing and are subject to late payment penalties if paid after August 31, or two installments (Secured Roll) due on November 1 and February 1, and again subject to the late payment penalties if paid after December 10 and April 10, respectively.

The County and its political subdivisions operate under the provisions of Sections 4701-4717 of the California Revenue and Taxation Code (otherwise known as the "Teeter Plan"). Under this method, the accounts of all political subdivisions that levy taxes on the County tax roll are credited with 100% of their respective secured ad valorem tax levy, regardless of the actual payments and delinquencies. This method then provides for all the delinquent penalties and redemptions flow to the County's General Fund. In addition, Section 4703.2 of the California Revenue and Taxation Code requires that a property tax loss reserve be maintained at not less than 25% of the total delinquent secured taxes.

Taxes receivable in the General Fund includes $30 million long term property tax receivable resulting from the Teeter method of distribution. This long term receivable as well as another $10 million expected to be collected next fiscal year have already been credited to other governments. These property tax receivables will be collected from the taxpayers.

Unsecured taxes are accrued in the period when they are levied and are recognized when they become available. "Available" means, due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. This period was 60 days from the end of the fiscal year. Property taxes receivable that do not meet the "available" criteria are recorded as deferred revenue.

Note 10: **Leases**

Operating Leases

The County is committed under various operating leases for building and office space and business and data processing equipment.

Aggregate rental expense for all operating leases approximated $3,535,770 for all fund types for the year ended June 30, 2007. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2007.

Year Ending June 30,	
2008	$ 3,569,011
2009	2,879,736
2010	2,289,663
2011	1,967,417
2012	1,663,603
2013-2016	3,767,236
Total Mimimum Lease Payments	$ 16,136,666

The Stanislaus Waste Energy Company (SWEC) has a lease agreement with the County to lease the 16-acre site on which the waste energy facility was built. The lease term is 35 years and contains a 15-year option to renew at the lessee's (SWEC) option. The County purchased the land in 1974 for $6,161.

The County also has an agreement with the Stanislaus County Office of Education to lease 15,000 square feet of Building #1 at the County Center III site for the purpose of a print shop. The term is 6 years with a mutual option to renew.

The following is a schedule of future lease revenue on these noncancelable leases at June 30, 2007.

Year Ending June 30,	
2008	$ 338,400
2009	338,400
2010	326,700
2011	198,000
2012	198,000
2013-2017	990,000
2018-2021	792,000
Total minimum lease revenue	$ 3,181,500

Note 10: **Leases** (continued)

Capital Leases

The County has entered into certain capital lease agreements under which the related equipment will become property of the County when all terms of the lease agreements are met:

	Stated Interest Rate	Present Value of Remaining Payments at June 30, 2007
Governmental activities:		
Equipment	0.00-7.24%	$ 271,321
		271,321
Business-type activities:		
Medical equipment	3.00-6.94%	41,145
		41,145
Total capital lease obligations		$ 312,466

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2007 were as follows:

Year Ending June 30,	Governmental Activities	Business-type Activities
2008	$ 106,019	$ 41,558
2009	94,669	-
2010	72,557	-
2011	26,315	-
Total Minimum Lease Payments	299,560	41,558
Less: Amounts Representing Interest	(28,239)	(413)
Present Value of Minimum Lease Payments	271,321	41,145
Less: Current Portion of Capital Leases	(91,256)	(41,145)
Long-term Capital Lease Obligation	$ 180,065	$ -

Equipment and related accumulated amortization under capital leases are as follows:

	Governmental Activities	Business-type Activities
Equipment	$ 1,002,165	$ 830,414
Less: accumulated depreciation	(556,526)	(495,021)
Net value	$ 445,639	$ 335,393

Note 11: Long-Term Debt

A. Summary of Long-Term Debt

The following is a summary of long-term liability transactions for the year ended June 30, 2007:

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007	Amounts Due Within One Year
Governmental Activities:					
Risk management liability	$ 22,849,986	$ 9,513,281	$ (9,635,970)	$ 22,727,297	$ 8,649,652
Certificates of participation	115,365,544	40,540,000	(52,227,200)	103,678,344	7,877,200
Plus issuance premium	78,673	1,541,614	(62,590)	1,557,697	144,343
Bonds payable	91,230,423		(6,872,018)	84,358,405	8,121,110
Tobacco securitization note	105,933,611		(1,200,000)	104,733,611	2,120,000
Accreted interest tobacco note	446,033	2,680,981		3,127,014	
Capital lease payable	259,427	129,559	(117,665)	271,321	91,256
Compensated absences	24,963,214	14,713,815	(13,778,648)	25,898,381	906,811
Total Governmental Activities	$ 361,126,911	$ 69,119,250	$ (83,894,091)	$ 346,352,070	$ 27,910,372
Business-type Activities:					
Risk management liability	$ 279,000	$ 210,000		$ 489,000	$ 489,000
Certificates of participation	1,034,456		$ (152,800)	881,656	160,440
Compensated absences	1,964,641	1,186,302	(1,160,723)	1,990,220	124,411
Capital lease payable	212,076		(170,931)	41,145	41,145
Total Business-Type Activities	$ 3,490,173	$ 1,396,302	$ (1,484,454)	$ 3,402,021	$ 814,996

With the exception of the Professional Liability Insurance Fund, which serves the Health Clinics and Ancillary Services Enterprise Fund, internal service funds serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end $492,269 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, risk management liability and compensated absences are generally liquidated by the General Fund.

Note 11: **Long-Term Debt** (continued)

A. **Summary of Long-Term Debt** (continued)

As of June 30, 2007, annual debt service requirements of governmental activities to maturity are as follows:

Year Ending June 30	Governmental Activities			
	Bonds Payable		Certificates of Participation	
	Principal	Interest	Principal	Interest
2008	$ 8,121,110	$ 5,240,359	$ 6,554,560	$ 4,678,338
2009	8,345,330	4,680,231	7,181,920	4,043,389
2010	8,934,680	4,083,596	7,444,280	3,772,418
2011	9,579,165	3,443,272	7,721,640	3,483,976
2012	10,258,789	2,755,592	8,010,944	3,183,698
2013-2017	24,794,331	5,536,014	37,615,000	11,073,387
2018-2022	2,800,000	3,265,307	17,935,000	3,940,194
2023-2027	3,115,000	2,517,293	11,215,000	1,004,933
2028-2032	3,475,000	1,670,214		
2033-2037	3,855,000	729,962		
2038-2042	1,080,000	118,335		
Totals	$ 84,358,405	$ 34,040,175	$ 103,678,344	$ 35,180,333

Year Ending June 30	Tobacco Securitization Note		Tobacco Securitization Note 2006	
	Principal	Interest	Principal	Interest
2008	$ 2,120,000	$ 3,593,482		
2009	2,350,000	3,448,732		
2010	2,565,000	3,301,338		
2011	2,795,000	3,156,181		
2012	3,285,000	2,998,881		
2013-2017	20,795,000	11,978,280		
2018-2022	28,670,000	4,723,280		$ 10,716,756
2023-2027		41,566		40,397,878
2028-2032			$ 23,793,381	19,756,060
2033-2037			9,446,325	38,847,352
2038-2042				51,867,983
2043-2045			8,913,905	22,391,456
Totals	$ 62,580,000	$ 33,241,740	$ 42,153,611	$ 183,977,485

The above Tobacco Securitization Note amortization schedule assumes that the turbo payments will be made. If the projected tobacco sales do not occur, then the amortization schedule will change to reflect less principal being paid each year, maturing in 2055.

Note 11: **Long-Term Debt** (continued)

A. **Summary of Long-Term Debt** (continued)

As of June 30, 2007, annual debt service requirements of business-type activities to maturity are as follows:

Year Ending June 30	Business-type Activities Certificates of Participation Principal	Interest
2008	$ 160,440	$ 43,090
2009	168,080	35,549
2010	175,720	27,481
2011	183,360	18,871
2012	194,056	9,703
Totals	$ 881,656	$ 134,694

B. **Long Term Obligations**

A summary of certificates of participation at year-end follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of June 30, 2007
Governmental activities:					
1997 Series B Refunding	3.75-5.00	12/16/1997	6/1/2012	$ 9,105,056	$ 5,983,344
1998 Series A	3.75-4.75	3/1/1998	9/1/2018	22,160,000	15,980,000
2004 Series A	1.63-4.38	3/26/2004	9/1/2025	15,371,663	14,760,000
2004 Series B	1.63-4.38	3/26/2004	9/1/2025	27,511,451	26,415,000
2007 Series A Refunding	3.65-5.75	2/1/2007	5/1/2018	42,081,614	40,540,000
Total governmental activities				$ 116,229,784	$ 103,678,344
Business-type activities:					
1997 Series B Refunding	3.75-5.00	12/16/1997	6/1/2012	$ 1,524,944	$ 881,656
Total business-type activities				$ 1,524,944	$ 881,656
Total				$ 117,754,728	$ 104,560,000

A summary of notes payable follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of June 30, 2007
Tobacco Securitization Note	5.5-7.5	3/21/2002	6/1/2043	$ 67,305,000	$ 62,580,000
2006 Tobacco Securitization Note	5.75-7.25	3/29/2006	6/1/2055	42,153,611	45,280,625
Total				$ 109,458,611	$ 107,860,625

Note 11: **Long-Term Debt** (continued)

B. **Long Term Obligations** (continued)

A summary of bonds payable follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of June 30, 2007
1995 Pension Obligation Bonds	7.15	9/25/1995	8/15/2013	$ 108,970,000	$ 62,975,000
RDA State Water Resources Board Loan	3.1	9/13/1995	12/12/2015	2,646,310	1,388,405
RDA 2005 TAB	3.5-5.42	12/20/2005	8/1/2036	15,615,000	15,615,000
RDA USDA Loan	4.25	8/21/2003	8/1/2041	4,525,000	4,380,000
Total				$ 131,756,310	$ 84,358,405

Purpose for County Borrowings

1997 Series B Refunding	Purchase medical arts building and construct jail kitchen laundry
1998 Series A	Construct a portion of government building with the City of Modesto
2004 Series A	Construction of Gallo Center for the Arts
2004 Series B	Construction of 12th Street office building and parking garage
2007 Series A Refunding	Construct Public Safety Center and Community Services building
1995 Pension Obligation Bonds	Pay StanCERA for unfunded actuarial accrued liability
RDA State Water Resources Board	To build Bret Harte sewer collection and transfer system
RDA 2005 TAB	To pay for Keyes storm drain project
RDA USDA Loan	To pay for Salida storm drain project
Tobacco Securitization Note	To purchase future tobacco settlement revenue
Tobacco Securitization Note 2006	To purchase future tobacco settlement revenue

C. **Changes in Long Term Liabilities**

On May 1, 2007, the County, through the Stanislaus County Capital Improvements Financing Authority, advance defeased $2,675,000 of Certificates of Participation (1995 COP) using existing reserve funds of $1,374,273 and a County contribution of $1,438,750 which was already budgeted to pay the existing debt service. As a result, the 1995 COP liability has been removed from the outstanding long-term debt.

On February 1, 2007, the County, through the Stanislaus County Capital Improvements Financing Authority, issued $40,540,000 of Certificates of Participation (2007A COP) at a weighted average interest rate of 4.42%. The proceeds were allocated to advance refund the remaining outstanding balances of the 1996 Series A and 1997 Series A Certificates of Participation. As a result of the refunding, the County reduced its total debt service by $2,247,477 over the life of the COP with an economic gain (net present value savings) of $1,742,213. This is an average annual savings of $233,711. As a result of the refunding, the 1996 Series A and 1997 Series A COP are considered to be defeased and the liabilities have been removed from the outstanding long-term debt.

Note 11: **Long-Term Debt** (continued)

D. **Arbitrage**

Arbitrage regulations pertain to the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable arbitrage rebates are not reported and paid to the Internal Revenue Service at least every five years. During the current year, the County performed calculations of excess investment earnings on various bonds and financings and paid $45,648 in arbitrage rebate for the 1995 COP, $52,760 for the 1996 Series A COP and $71,465 for the 1997 Series A COP. At June 30, 2007, the County has no outstanding liability for arbitrage.

Note 12: **Solid Waste Landfill Closure and Postclosure Care Costs**

There are two solid waste landfill sites in the County. The Fink Road Sanitary Landfill is owned by the County and is currently operating. The Geer Road Sanitary Landfill is on land jointly owned by the City of Modesto and the County of Stanislaus. This landfill has reached capacity and was closed in June 1990. The County of Stanislaus, by and through its Board of Supervisors, administered the closure operations of the Geer Road Landfill. Both landfills are reported in their entirety as enterprise funds.

State and federal laws require the County to close a landfill once its capacity has been reached and to monitor and maintain the site for thirty subsequent years. The County recognizes a portion of the closure and postclosure care costs in each operating period even though actual payouts will not occur until a landfill is closed. The amount recognized each year to date is based on the landfill capacity used as of the financial statement date.

	Fink Road	Geer Road	Total
Estimated total liability for closure/ postclosure at June 30, 2007	$20,208,036	$ 8,339,746	$28,547,782
Liability recognized as of June 30, 2007	$ 5,187,808	$ 8,339,746	$13,527,554
Landfill capacity used to date	25.67%	100%	
Estimated remaining useful life	26 years		

The estimated costs of closure and postclosure care are subject to changes such as the effects of inflation, technology, revision of laws and other variables. State and federal laws require the County to establish a closure fund to accumulate assets needed for the actual payout of closure and postclosure care costs. Of the restricted cash and investments in the proprietary funds, the following amounts are held for this purpose:

Fink Road Landfill	$15,318,990
Geer Road Landfill	$ 3,495,592

Note 13: **Net Assets/Fund Balances**

Net Assets

The government-wide and business-type activities financial statements utilize a net assets presentation. Net assets are as follows:

- *Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

- *Restricted Net Assets* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted Net Assets* – This category represents net assets of the County, not restricted for any project or other purpose.

As of June 30, 2007, the County had the following restrictions to net assets:

	Governmental Activities	Business-type Activities
Restricted for:		
Capital projects	$ 104,650,011	$ -
Other purposes:		
Landfill closure/post-closure	-	18,925,816
Children & families commission	21,437,267	-
Road construction	14,243,892	-
Tax loss reserve	5,770,283	-
Child support service	1,713,271	-
Public assistance	581,669	-
Public health	1,332,111	-
Environmental resources	1,130,578	-
Lighting & storm drain districts/County service areas	1,658,306	-
Clerk-recorder - capital assets	6,101,826	-
Planning grants	1,353,515	-
Other	3,283,223	
Total other purposes	58,605,941	18,925,816
Total Restricted Net Assets	$ 163,255,952	$ 18,925,816
Amount of total restricted by enabling legislation	$ 46,498	$ -

Note 13: **Net Assets/Fund Balances** (continued)

Fund Balances

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board and can be increased, reduced or eliminated by similar actions.

The term "reserved" is used to indicate that a portion of reported fund balance is (1) legally restricted to a specific use or (2) not available for appropriation or expenditure. The Board will sometimes designate portions of unreserved (available) fund balance based on tentative future spending plans. Designated portions of fund balance represent financial resources legally available for uses other than those tentatively planned.

As of June 30, 2007, the County has reserved or designated fund balances as follows:

Reserved for Encumbrances: This represents that portion of fund balance reserved for encumbrances existing at year end which will result in subsequent year expenditures.

Reserved – Advances to other funds: This represents the portion of fund balance reserved for loans to other funds that are not expected to be repaid in the short-term.

Reserved - Long term receivables: This represents the portion of fund balance related to delinquent property taxes due from the taxpayers not expected to be collected in the short term.

Reserved – Loans to other governments: This represents the portion of fund balance reserved for loans to other governments that are not expected to be repaid in the short-term.

Reserved – Other: This represents that portion of fund balance unavailable for appropriation for the following reasons:

	General Fund	Behavioral Health & Recovery	Community Services Agency	Nonmajor Governmental Funds
Deposits with others	$ 10,000	$	$	$
Inventory				360,781
Imprest cash	71,245	8,601	27,650	6,725
Advance to other governments				26,000
Prepaid items				29,876
Tax loss reserve	5,770,283			
Total	$5,851,528	$ 8,601	$ 27,650	$ 423,382

Note 13: **Net Assets/Fund Balances** (continued)

Fund Balances (continued)

Reserved for Capital projects: This represents the portion of fund balance held by trustees for major capital projects.

Reserved for Debt Service: This represents that portion of borrowings which are held in reserve accounts by trustees and that portion of borrowings held in interest reserve accounts for interest payments.

Designated for Debt Service: This represents that portion of available fund balance segregated to meet future principal and interest payments on debt.

Designated for Contingencies: This represents that portion of available fund balances set aside for emergency and unforeseen expenditures.

Designated for Carryover Appropriations: This represents a portion of the available fund balance set aside for funding approved, but not expended in the current year.

Note 14: **Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The County has a risk management program with respect to workers' compensation, general and professional liability, unemployment, vision, dental care and purchased insurance. Under its existing workers' compensation insurance plan, the County is responsible for $500,000 per occurrence, with a commercial insurance company providing certain liability coverage for up to $5,000,000. The general liability insurance covers property damage, personal injury, auto, and public officials' errors and omissions. General liability, auto, and public officials' errors and omissions ($25,000 deductible) are the County's responsibility for up to $250,000 per occurrence, with the excess insured by the CSAC Excess Insurance Authority for up to $9,750,000. The County has also purchased optional excess liability coverage in the amount of $5 million. Property damage is insured by a commercial carrier for $564,418,558 with a $10,000 deductible. Unemployment, vision care, and dental insurance are the responsibility of the County. Limited exposure precludes the need for outside coverage.

The Health Services Agency Clinics and Ancillary Services, and the Behavioral Health and Recovery Department participate in the medical malpractice program administered by the CEO Risk Management Division. Under this program, the County has a self-insured retention of $500,000 per occurrence and pays all defense costs. The County also carries excess insurance coverage up to $10,000,000 per claim.

There was no reduction in insurance coverage from the prior year. There were no settlements in excess of insurance coverage for each of the past three fiscal years.

Note 14: **Risk Management** (continued)

The estimation of claims liability depends on many factors such as inflation, changes in legal doctrine, and damage awards. Accordingly, an actuarial study is done each year to update the estimated claims liabilities. These liabilities include incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

Changes in the balances of claims liabilities during the past fiscal year are as follows:

	2005/2006	2006/2007
Unpaid claims as of July 1	$ 21,555,113	$ 23,128,986
Incurred claims (including IBNRs)	11,743,624	9,723,281
Claim payments	(10,169,751)	(9,635,970)
Unpaid claims as of June 30	$ 23,128,986	$ 23,216,297

The County is a defendant in several legal actions. In the opinion of County Counsel, it is probable the potential liability for these matters could exceed the County's general liability self-insurance retention of $250,000. Any excess over $250,000 would be covered by excess insurance coverage explained above.

In addition, the County is a defendant in a number of other lawsuits or proceedings arising in the normal course of its activities where the ultimate outcome cannot be predicted with certainty. Management does not expect that these matters will have a material adverse effect on the financial position or changes in the financial position of the County.

Note 15: **Contingent Liabilities**

The County participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. Some audits of these programs prior to and for the year ended June 30, 2007, have not been conducted or concluded. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Note 16: **Joint Ventures**

Stanislaus Waste-to-Energy Financing Agency

Stanislaus Waste-to-Energy Financing Agency (Agency) was created May 1, 1989, pursuant to a joint exercise of powers agreement between the City of Modesto and the County of Stanislaus. The Agency is administered by a commission consisting of two

Note 16: **Joint Ventures** (continued)

Stanislaus Waste-to-Energy Financing Agency (continued)

members of the City council and two members of the County's Board of Supervisors. The agreement provides that the City and the County shall pay for costs associated with the operation of the Agency and are entitled to all rights and property of the Agency equally.

On May 1, 1990, the Agency issued Certificates of Participation to refinance a bond issued through California Pollution Control Financing Authority. And on February 1, 2000 Refunding Revenue Certificates were issued to refinance the 1990 COPs. Outstanding debt of the Agency at June 30, 2007 is $28,190,000. Financial statements for the Agency are produced biannually and are available from the County of Stanislaus.

Tuolumne River Regional Park

The County participates with the City of Modesto and the City of Ceres in the operation and development of the Tuolumne River Regional Park (TRRP). The governing body consists of two members from each city council and the County Board of Supervisors.

The TRRP Board prepares the annual budget, which must be approved by both cities' councils and the Board of Supervisors. Each participant has an equity interest in the assets of the Park based on the percentage of cumulative contributions paid. As of June 30, 2007, the County's equity interest was $1,789,801. For the fiscal year ending June 30, 2007, the County contributed $174,184 to TRRP. Financial statements for TRRP are prepared by the City of Modesto Finance Department and are available from them.

Stanislaus Drug Enforcement Agency

Stanislaus County and the cities of Modesto, Oakdale, Ceres, Patterson, Turlock, Riverbank and Newman are the participants in the Stanislaus Drug Enforcement Agency (SDEA). The purpose of the SDEA is to maintain a specially trained police unit to assist each of the participating agencies in the enforcement of drug control laws, and to study, plan and set priorities for effective enforcement of such laws throughout Stanislaus County.

The governing body consists of the Sheriff to Stanislaus County and the chief of police for each participating city. All participants contributed to the funding of the SDEA budgeted expenditures, based on population and assessed property value. The County's contribution to the SDEA for fiscal year 2007 was $402,863. Upon termination of the agreement, assets will be distributed based on total contributions from each participant. Financial statements of the SDEA are available from the City of Modesto.

The City-County Capital Improvements and Financing Agency

The City-County Capital Improvements and Financing Agency (Agency) was created December 17, 1996, pursuant to a joint exercise of powers agreement between the City of

Note 16: **Joint Ventures** (continued)

The City-County Capital Improvements and Financing Agency (continued)

Modesto and the County of Stanislaus. The Agency is administered by a six-member commission consisting of two members of the City Council, two members of the County's Board of Supervisors, the County Chief Executive Officer and the City Manager. The Agency prepares the annual and project budgets, which must be approved by both the City Council and the Board of Supervisors. Each participant has an equity interest in the assets of the Agency in accordance with any project agreements or in the percentages as agreed upon by the Agency which percentages shall be reviewed and approved in connection with the project and annual budgets of the Agency. As of June 30, 2007, the County's equity interest in the Agency was $14,399,621 and is reported as Investments-joint ventures in the government-wide statement of new assets.

The County was the Agency's fiscal administrator during the construction phase of the City-County Administration Center, finalized at the end of June 2003. Since then, the City has been the fiscal administrator. Financial statements of the Agency will be available from the City after the initial audit of the Agency's books has been completed.

The California County Tobacco Securitization Agency

In November 1998, the attorneys general of 46 states (including California) and various other public entities (collectively, the "Settling States") and the four largest United States tobacco manufacturers entered into a master settlement agreement (MSA) in resolution of cigarette smoking-related litigation. The MSA effectively releases the manufacturers from past, present and future smoking related claims in exchange for, among other things, certain payments to be made to the Settling States.

On August 5, 1998 the counsel for the State of California and various jurisdictions therein ("participating jurisdictions") entered into a memorandum of understanding (MOU), made to the State of California in accordance to the MSA. However, the payments under the MSA are subject to numerous adjustments and potential delays.

On November 15, 2000, the County entered into a Joint Powers Agreement (the "Agreement") with the County of Merced, County of Sonoma, and the County of Kern thereby creating the California County Tobacco Securitization Agency (the "Agency"). The Agency then added the County of Marin, County of Placer, the County of Fresno, and the County of Alameda. The Agency is governed by a Commission, which is comprised of two designees of the Board of Supervisors of each member.

Note 16: **Joint Ventures** (continued)

The California County Tobacco Securitization Agency (continued)

The purpose of the Agreement is to provide for the exercise of powers common to each member, including, but not limited to, the power to insure, hedge or otherwise manage the risks associated with the receipt of the MSA payments. In furtherance of it's purpose, the Agency has been empowered to issue Bonds secured by the MSA payments of one or more members, the proceeds of which will be used directly or indirectly to purchase all or a portion of the rights to the MSA payments from a member or members.

On March 1, 2002, the Stanislaus County Tobacco Funding Corporation, a component unit of the County, entered into an agreement with the Agency for the purpose of issuing bonds in the principal amount of $67,305,000 to acquire the County's rights to receive the MSA payments when and as such funds are available. The County agreed to sell its rights, title and interest of the money due under the MSA and the MOU for $52,403,206.

On March 1, 2006 the Stanislaus County Tobacco Funding Corporation entered into a subordinate secured loan agreement with the Agency to borrow the proceeds of the $42,153,611 agency 2006 bond issue. The proceeds were used to pay the issuance costs of the bond and the remainder placed in the residual trust established for the benefit of the County in connection with the sale of County tobacco assets mentioned above. The County received $40,971,290.

The financial statements of the Agency are produced annually and are available from the County of Marin, Deputy Clerk to the Board of Supervisors, 3501 Civic Center Drive, San Rafael, CA 94903.

Consolidated Emergency Dispatch Agency

The Modesto/Stanislaus Consolidated Emergency Dispatch Agency (the "Agency") was created on September 1, 1999, pursuant to a joint exercise of powers agreement between the City of Modesto (the "City") and the County of Stanislaus (the "County"). The Agency is administered by a seven-member commission consisting of one member of the Modesto City Council, one member of the County's Board of Supervisors, the County Chief Executive Officer, the Modesto City Manager, two members from the Dispatch Advisory Board, and one member from the City of Ceres' City Council. The purpose of the Agency is to consolidate the public safety communications system. The responsibilities of the County and the City include approval: of the annual budget, claims, liabilities, and the use of Agency property as collateral. Each participant will contribute sufficient funds to pay for all costs and expenses associated with providing Emergency Dispatch Services. Upon termination of the agreement, assets will be distributed equally to the City and County, unless otherwise approved. The financial statements may be obtained by writing to the Modesto/Stanislaus Consolidated Emergency Dispatch, Office Manager, 3705 Oakdale Road, Modesto, California, 95357.

Note 16: **Joint Ventures** (continued)

Regional Fire Training Center

On July 1, 1992 the County, Yosemite Community College District (YCCD), and the city of Modesto (City) entered into a 20 year agreement for the joint use and management of the regional fire training center (Center) at Modesto Junior College (MJC). The Center's executive board is made up of the Chancellor of YCCD, the President of MJC, the City Manager and the Chief Executive Officer of the County. The Center was initially constructed using funds borrowed by YCCD with the City and County reimbursing a portion of these costs over 20 years. The buildings, grounds and equipment belong to YCCD. All three entities share in the Center's operating costs with YCCD responsible for the accounting and monitoring of the Center's budget. For fiscal year ending June 30, 2007, the County paid $46,513 to YCCD under this agreement.

California Statewide Automated Welfare System Consortium IV

The California Statewide Automated Welfare System Consortium IV (Authority) was formed in December of 1998, pursuant to a joint exercise of powers agreement between the Counties of San Bernardino, Riverside, Merced and Stanislaus. The Authority was created for the purpose of the design, development, implementation, and on-going operation and maintenance of a system that automates the eligibility and case management functions of various welfare programs.

On January 9, 2007, the Board of Supervisors approved the Amendment 1 of the Joint Powers Agreement to add thirty-five (35) counties to the current C-IV Joint Powers Authority (JPA). The benefits of adding these counties creates opportunities to expand and improve the current C-IV system along with lowering each counties share of costs.

The Authority was originally governed and administered by a Board of Directors consisting of four (4) Directors. The Directors are the Merced County Director of the Human Services Agency, the Riverside County Director of the Department of Public Social Services, the San Bernardino County Assistant County Administrator for Social Services, and the Stanislaus County Director of the Community Services Agency. With the addition of 35 counties three (3) new directors will be added.

Stanislaus County's C-IV costs for Fiscal Year 2006-2007 were $293,669. Financial Statements may be obtained by writing to the County of San Bernardino, County Administrative Officer, 385 North Arrowhead Avenue 5th Floor, San Bernardino, CA 92415.

Note 17: **Employees' Retirement Plan**

The County is a major participant in the Stanislaus County Employees Retirement Association (StanCERA), a retirement system organized under the 1937 Retirement Act. StanCERA is a cost-sharing multiple-employer Public Employee Retirement System

Note 17: **Employees' Retirement Plan** (continued)

(PERS). StanCERA provides retirement and disability benefits, annual cost-of-living adjustments, death benefits and health and welfare insurance for certain retirees and their dependents. The plan is administered by the Stanislaus County Employees Retirement Association. One actuarial valuation is performed for the system as a whole and the contribution rate is determined for each participating entity. The participating entities are the County, City of Ceres, and six special districts located in the County that are not governed by the County's Board of Supervisors. StanCERA issues a Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information for StanCERA. The CAFR may be obtained by writing to Stanislaus County Employees' Retirement Association, P O Box 3150, Modesto, CA 95353-3150 or by calling (209) 525-6393.

The StanCERA CAFR is prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. All other securities are valued at the last reported sales price at current exchange rates. No investment in any single asset represents more than 5% of the net assets available for pension benefits.

StanCERA has five tiers of retirement benefits, all or some of which are offered to General and Safety members, respectively. The benefits known as Tier 1, Tier 2, Tier 4, and Tier 5 vest after five years of credited service, while the benefit known as Tier 3 vests after ten years of credited service. Vested General members with Tier 1, Tier 2, Tier 4 or Tier 5 benefits may retire at age fifty or older with ten or more years of qualifying service or at any age with thirty or more years of qualifying service. Vested Safety members with Tier 1, Tier 2, Tier 4 or Tier 5 benefits may retire at age fifty or older with ten years of qualifying service or at any age with twenty or more years of service. All Tier 3 members may retire at age fifty-five with ten or more years of qualifying service.

For members with Tier 1, Tier 4 or Tier 5 benefits, final average salary is the average monthly salary based on the highest twelve consecutive months of earnings. For members with Tier 2 or Tier 3 benefits, final average salary is the average monthly salary based on the highest thirty-six consecutive months of earnings.

The retirement benefit for Tier 1, Tier 2, Tier 4 and Tier 5 members includes a post-retirement cost-of-living (COL) adjustment based upon the Consumer Price Index. COL increases/decreases are limited to a maximum of 3% annually. Total COL decrease(s) cannot exceed the cumulative amount of previous COL increase(s). Tier 1, Tier 2, Tier 4 and Tier 5 provide death and disability benefits.

Note 17: **Employees' Retirement Plan** (continued)

Those members participating in Tier 1, Tier 2, Tier 4 and Tier 5 are required by statute to contribute to the pension plan. Members' contribution rates are formulated on the basis of the age at date of entry and the actuarially calculated future benefits. The County is required by statute to contribute the remaining amounts necessary to finance the estimated benefits accrued to its members. Contribution rates vary from 5.47% to 20.52% of covered payroll for the County and from 2.55% to 16.26% of covered payroll for employees.

Benefits and contribution provisions are established by state law subject to amendment only by a legislative act of the State of California. Alternative benefit and contribution schedules are permissive with approval of the Board of Supervisors.

In addition to providing pension benefits, StanCERA provides a subsidy allowance for retirees. Substantially all of the active members may become eligible for this benefit if they reach normal retirement age. For the year ending June 30, 2007, 2,352 retirees received this stipend, for a total of $4,055,524. StanCERA sponsored retiree subsidy allowance is not vested and may be discontinued with 90 days notice. Retiree subsidy allowance benefits are funded from excess earnings of the retirement association. As of June 30, 2007, the excess earnings set aside in the net assets held in trust for pension benefits of the Employees' Retirement Trust for funding retiree subsidy allowance amounted to $165,180,419.

StanCERA also provides a death benefit of $5,000 paid to the beneficiary or estate if a member dies after retirement, provided that Stanislaus County was the members' last public employer.

The County's contribution to StanCERA for the years ending June 30, 2005, 2006, and 2007 were $17,499,775, $21,879,389 and $27,504,938 respectively, equal to the required contributions for each year. The 2007 County contribution includes a one time payment for the Ventura-Francis class action lawsuit settlement. The County does not contribute towards post-employment benefits other than retirement.

Note 18: **Subsequent Events**

Effective November 1, 2007, the Board of Supervisors approved the sale of the Stanislaus Behavioral Health Center (SBHC) to Doctor's Medical Center of Modesto, Inc. (DMC) for the purchase price of $10,949,000. DMC agrees to operate SBHC as an acute psychiatric inpatient facility in accordance with applicable licensing provision, regulations and requirements. The County will contract with DMC for the provision of psychiatric beds and services for Stanislaus County.

Effective September 20, 2007, the Health Services Agency primary care facilities received the Federally Qualified Health Center Look-Alike (FQHC-LA) designation. The increased annual revenue as a result of the FQHC-LA designation is estimated to be $6.4 million.

Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Capital Projects Fund

Redevelopment Agency

The Redevelopment Agency Fund was established so the County can use redevelopment tax increment financing as a tool to initiate capital public project, property rehabilitation and private development.

Capital Projects

The Capital Projects funds were established to account for financial resources for the acquisition or construction of major capital facilities. Among the major projects is a downtown project that includes the construction of a parking garage and office structure and the construction of the Center for the Arts.

Debt Service Funds

Debt service funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Debt service funds include:

Capital Improvement Financing Authority

The Capital Improvement Financing Authority is used to accumulate resources for payment of principal and interest incurred by the sale of Certificate of Participation issued to finance various capital projects.

Pension Obligation Bonds

This fund is used to accumulate resources for the payment of principal and interest of taxable bonds issued to pay the Employees Retirement Association the County's unfunded actuarial accrued liability.

Stanislaus County Tobacco Funding Corporation

This fund is used to account for the receipt and disbursement of tobacco securitization revenues from the State.

County of Stanislaus
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

	Special Revenue Funds	Capital Projects Funds: Redevelopment Agency	Capital Projects Funds: Capital Projects	Debt Service Funds: Capital Improvement Finance Authority	Debt Service Funds: Pension Obligation Bonds	Debt Service Funds: Stan County Tobacco Funding Corp	Totals
Assets							
Cash and investments	$ 64,577,770	$ 23,872,621	$ 6,265,741	$	$ 676,373	$ 8,336	$ 95,400,841
Cash with fiscal agent		1,217,831	8,810,148	10,469,427	98,015	4,818,113	25,413,534
Account receivable (net of allowance for uncollectables)	15,756,905	87,908	382,520	36,632		2,695,600	18,959,565
Interest and other receivables	320,509	145,740	63,785				530,034
Inventory	360,781						360,781
Due from other funds	392,426						392,426
Loans to other governments		26,000					26,000
Prepaid items	29,876						29,876
Advance to other funds	190,422						190,422
Total assets	$ 81,628,689	$ 25,350,100	$ 15,522,194	$ 10,506,059	$ 774,388	$ 7,522,049	$ 141,303,479
Liabilities and Fund Balance							
Liabilities							
Accounts payable	$ 8,970,637	$ 324,414	$ 1,226,159	$	$ 5,098	$	$ 10,526,308
Salaries and benefits payable	3,615,981	7,284					3,623,265
Due to other funds	746,677						746,677
Due to other governments						2,695,548	2,695,548
Deposits from others	27,226						27,226
Deferred revenue	2,058,592						2,058,592
Advances from other funds	100,000	590,422					690,422
Total Liabilities	15,519,113	922,120	1,226,159		5,098	2,695,548	20,368,038
Fund Balances							
Reserved for							
Encumbrances	12,286,355	580,279	1,740,015				14,606,649
Advances to other funds	190,422						190,422
Other	397,382	26,000					423,382
Capital projects		1,215,433	8,810,147				10,025,580
Debt service		73,500		10,469,427	98,015	4,818,113	15,459,055
Unreserved:							
Undesignated	53,235,417	22,532,768	3,745,873	36,632	671,275	8,388	80,230,353
Total fund balances	66,109,576	24,427,980	14,296,035	10,506,059	769,290	4,826,501	120,935,441
Total liabilities and fund balances	$ 81,628,689	$ 25,350,100	$ 15,522,194	$ 10,506,059	$ 774,388	$ 7,522,049	$ 141,303,479

County of Stanislaus
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2007

	Special Revenue Funds	Capital Projects Funds: Redevelopment Agency	Capital Projects Funds: Capital Projects	Debt Service Funds: Capital Improvement Finance Authority	Debt Service Funds: Pension Obligation Bonds	Debt Service Funds: Stan County Tobacco Funding Corp	Totals
Revenues							
Taxes	$ 12,633,070	$ 5,427,655	$	$	$	$	$ 18,060,725
Licenses, permits and franchises	3,150,564						3,150,564
Fines, forfeitures and penalties	1,301,391		1,894,689				3,196,080
Revenue from use of money and property	2,767,958	1,200,133	992,662	1,298,906	(102,739)	263,030	6,419,950
Intergovernmental revenue	79,206,933	269,291	641,720		479,419		80,597,363
Charges for services	29,570,323	58,000					29,628,323
Miscellaneous revenue	1,045,745	384,565	325,021		249,695	4,849,396	6,854,422
Donations			3,736,752				3,736,752
Total revenues	129,675,984	7,339,644	7,590,844	1,298,906	626,375	5,112,426	151,644,179
Expenditures:							
Current:							
General government	1,056,902						1,056,902
Public protection	44,098,802						44,098,802
Public ways and facilities	27,685,548						27,685,548
Health and sanitation	51,015,095						51,015,095
Public assistance	15,483,913						15,483,913
Education	12,278,496						12,278,496
Recreation and cultural services	12,845						12,845
Debt service							
Interest and fiscal charges	88	1,107,803		6,318,013	4,744,869	3,882,422	16,053,195
Principal	3,188	182,018		10,227,776	6,690,000	1,200,000	18,302,982
Capital outlay		2,494,651	15,576,449				18,071,100
Total expenditures	151,634,877	3,784,472	15,576,449	16,545,789	11,434,869	5,082,422	204,058,878
Revenues over (under) expenditures	(21,958,893)	3,555,172	(7,985,605)	(15,246,883)	(10,808,494)	30,004	(52,414,699)
Other financing sources (uses):							
Loan proceeds				42,081,614			42,081,614
Transfers in	25,780,783		3,275,201	11,556,434	11,370,759		51,983,177
Transfers out	(4,730,913)	(5,845)	(1,471,841)				(6,208,599)
Sale of fixed assets	15,401						15,401
Payment to refunded bond agent				(41,999,424)			(41,999,424)
Total other financing sources (uses)	21,065,271	(5,845)	1,803,360	11,638,624	11,370,759		45,872,169
Net changes in fund balances	(893,622)	3,549,327	(6,182,245)	(3,608,259)	562,265	30,004	(6,542,530)
Fund balances -- beginning	67,003,198	20,878,653	20,478,280	14,114,318	207,025	4,796,497	127,477,971
Fund balances -- ending	$ 66,109,576	$ 24,427,980	$ 14,296,035	$ 10,506,059	$ 769,290	$ 4,826,501	$ 120,935,441

Nonmajor Special Revenue Funds

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. Special revenue funds include:

Environmental Resources

This fund was established as a Comprehensive Environmental Department whose mandated goal was to control those factors in our physical environment, which exercise or may exercise a deleterious effect on our health and environment. Its revenues come from charges for services and federal and state sources.

Children and Families First Commission

This fund was established to create and implement a comprehensive system of services to support childhood development from the prenatal stage to five (5) years of age. Its revenues come from an increase in the tobacco tax. The tax is divided among counties based on the number of live births, annually, in each county.

Public Works – Engineering

This fund was established to provide engineering services to other division in the Public Works Department and other County departments. Revenue consists primarily of charges for services

Road and Bridge

This fund was established to provide maintenance and construction of roadways and bridges. Revenue consists primarily of the County's share of state highway users taxes and is supplemented by federal funds, vehicle code fines, and reimbursements for services provided.

Employment and Training

This fund was established to account for the Workforce Incentive Act. The County serves as the grant recipient and administrator. The federal government funds the program for the purposes of providing employment and training services to youth and adults, who are unskilled, economically disadvantaged, unemployed, or underemployed.

Child Support Services

This fund was established to account for the Department of Child Support Services, which is responsible for locating absent parents, establishing paternity, establishing child and medical support orders, collecting and distributing child support from absent parents and initiating remedial actions to collect on delinquencies. Federal and state funding are the primary source of revenues.

NONMAJOR SPECIAL REVENUE FUNDS
(Continued)

Public Authority

This fund was established to operate as the Employer of Record for In-Home Supportive Service Providers (Providers). The Public Authority negotiates with the union for wages and benefits for Providers, operates a registry and conducts background checks on Providers.

Health Services Agency

This fund was established to oversee the delivery of health care to Stanislaus County residents. It includes the Public Health and Managed Care divisions and oversees the Health Clinics and Ancillary Services (enterprise fund). The revenues for this fund are primarily intergovernmental sources and charges for services, supplemented by transfers from the General Fund.

Indigent Health Care

This fund was established to administer state and county funds for the delivery for quality medical care for indigent and medically indigent county residents. The primary funding source is the State.

Library

This fund was established to account for library services in thirteen branches throughout the county. Support is derived principally from general fund discretionary revenues and 1/8% sales tax increment beginning in July 1995.

Lighting Districts

This fund was established for lighting districts that are controlled by the Board of Supervisors. The revenue sources are property taxes and direct assessments.

All Other Special Revenue Funds

Accounts for the activities of several special revenue funds, including:

- Area Agency on Aging
- Property Tax Administration Program
- Federal & State Grants
- County Service Areas
- Storm Drain Districts
- Landscape and Lighting Districts
- County Fire Service

County of Stanislaus
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007

	Environmental Resources	Children and Families Commission	Public Works Engineering	Road and Bridge	Employment and Training	Child Support Services	Public Authority
Assets							
Cash and investments	$ 2,385,287	$ 21,348,187	$ 2,613,651	$ 14,059,868	$	$ 1,774,303	$
Account receivable (net of allowance for uncollectables)	775,083	1,305,132	130,970	1,668,674	1,413,648	635,669	1,060,132
Interest and other receivables	10,724	143,378		100,897		24,935	
Inventory				269,840			
Due from other funds	24,527						
Prepaid items						11,694	
Advance to other funds				190,422			
Total assets	$ 3,195,621	$ 22,796,697	$ 2,744,621	$ 16,289,701	$ 1,413,648	$ 2,446,601	$ 1,060,132
Liabilities and Fund Balances							
Liabilities							
Accounts payable	$ 327,808	$ 1,330,633	$ 53,717	$ 2,031,563	$ 466,169	$ 56,543	$
Salaries and benefits payable	304,139	28,796	293,320	189,944	277,076	669,695	
Due to other funds					603,426		143,251
Deposits from others					16,375	7,094	
Deferred revenue					12,850		916,881
Advances from other funds							
Total Liabilities	631,947	1,359,429	347,037	2,221,507	1,375,896	733,332	1,060,132
Fund Balances							
Reserved for:							
Encumbrances	324,446	446,521	54,049	6,009,233	93,475	24,321	
Advances to other funds				190,422			
Other	800			269,840		11,794	
Net assets-invested in capital							
Unreserved:							
Undesignated	2,238,428	20,990,747	2,343,535	7,598,699	(55,723)	1,677,154	
Total fund balances	2,563,674	21,437,268	2,397,584	14,068,194	37,752	1,713,269	
Total liabilities and fund balances	$ 3,195,621	$ 22,796,697	$ 2,744,621	$ 16,289,701	$ 1,413,648	$ 2,446,601	$ 1,060,132

County of Stanislaus
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
June 30, 2007

Health Services Agency	Indigent Health Care	Library	Lighting Districts	All Other Special Revenue Funds	Totals	
						Assets
$ 1,765,380	$ 901,309	$ 5,436,530	$ 132,752	$ 14,160,503	$ 64,577,770	Cash and investments
5,387,654	688,754	1,354,344		1,336,845	15,756,905	Account receivable (net of allowance for uncollectables)
10,153	2,103		813	27,506	320,509	Interest and other receivables
90,941					360,781	Inventory
106,282	261,617				392,426	Due from other funds
18,182					29,876	Prepaid items
					190,422	Advance to other funds
$ 7,378,592	$ 1,853,783	$ 6,790,874	$ 133,565	$ 15,524,854	$ 81,628,689	Total assets
						Liabilities and Fund Balances
						Liabilities
$ 970,718	$ 1,649,417	$ 176,107	$ 9,789	$ 1,898,173	$ 8,970,637	Accounts payable
1,119,874	87,035	341,542		304,560	3,615,981	Salaries and benefits payable
					746,677	Due to other funds
				3,757	27,226	Deposits from others
956,984				171,877	2,058,592	Deferred revenue
				100,000	100,000	Advances from other funds
3,047,576	1,736,452	517,649	9,789	2,478,367	15,519,113	Total Liabilities
						Fund Balances
						Reserved for:
10,428	55,268	318,113		4,950,501	12,286,355	Encumbrances
					190,422	Advances to other funds
113,073		1,175		700	397,382	Other
						Net assets-invested in capital
						Unreserved:
4,207,515	62,063	5,953,937	123,776	8,095,286	53,235,417	Undesignated
4,331,016	117,331	6,273,225	123,776	13,046,487	66,109,576	Total fund balances
$ 7,378,592	$ 1,853,783	$ 6,790,874	$ 133,565	$ 15,524,854	$ 81,628,689	Total liabilities and fund balances

County of Stanislaus
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the fiscal year ended June 30, 2007

	Environmental Resources	Children and Families Commission	Public Works Engineering	Road and Bridge	Employment and Training	Child Support Services	Public Authority
Revenues:							
Taxes	$	$	$	$ 2,494,114	$	$	$
Licenses, permits and franchises			2,969,529	40,146			
Fines, forfeitures and penalties	149,599						
Revenue from use of money and property	67,357	1,185,741		938,840		248,368	
Intergovernmental revenue	1,071,100	7,350,455	9,178	13,589,208	6,976,256	16,683,366	3,028,046
Charges for services	5,907,398		4,566,340	295,504	1,912,942	1,045	
Miscellaneous revenue	20,011	367,663	2,121	3,036	125,000	96,872	
Total revenues	7,215,465	8,903,859	7,547,168	17,360,848	9,014,198	17,029,651	3,028,046
Expenditures:							
General		610,249					
Public protection	8,413,616		3,301,066			16,525,067	
Public ways and facilities			5,023,657	22,661,891			
Health and sanitation		6,819,532					
Public assistance					9,160,717		3,734,240
Education		1,901,438					
Recreation and cultural services							
Debt Service:							
Interest and fiscal charges			88				
Principal			3,188				
Total expenditures	8,413,616	9,331,219	8,327,999	22,661,891	9,160,717	16,525,067	3,734,240
Revenues over (under) expenditures	(1,198,151)	(427,360)	(780,831)	(5,301,043)	(146,519)	504,584	(706,194)
Other financing sources (uses):							
Transfers in	1,692,042		1,020,867	4,488,901			706,194
Transfers out	(163,757)	(17,149)	(290,838)	(141,809)	(163,316)	(389,772)	
Sale of fixed assets							
Total other financing sources (uses)	1,528,285	(17,149)	730,029	4,347,092	(163,316)	(389,772)	706,194
Net change in fund balance	330,134	(444,509)	(50,802)	(953,951)	(309,835)	114,812	
Fund balances -- beginning	2,233,540	21,881,777	2,448,386	15,022,145	347,587	1,598,457	
Fund balances -- ending	$ 2,563,674	$ 21,437,268	$ 2,397,584	$ 14,068,194	$ 37,752	$ 1,713,269	$

County of Stanislaus
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)
For the fiscal year ended June 30, 2007

Health Services Agency	Indigent Health Care	Library	Lighting Districts	All Other Special Revenue Funds	Totals	
						Revenues:
$	$	$ 8,812,446	$ 62,749	$ 1,263,761	$ 12,633,070	Taxes
8,752				132,137	3,150,564	Licenses, permits and franchises
119,813	608,447			423,532	1,301,391	Fines, forfeitures and penalties
						Revenue from use of money
82,393	18,308		4,965	221,986	2,767,958	and property
11,452,549	3,413,829	487,591	748	15,144,607	79,206,933	Intergovernmental revenue
11,356,586	1,323,436	421,603	180,319	3,605,150	29,570,323	Charges for services
80,491	835	60,407	4,145	285,164	1,045,745	Miscellaneous revenue
23,100,584	5,364,855	9,782,047	252,926	21,076,337	129,675,984	Total revenues
						Expenditures:
				446,653	1,056,902	General
			213,852	15,645,201	44,098,802	Public protection
					27,685,548	Public ways and facilities
28,083,874	16,111,689				51,015,095	Health and sanitation
				2,588,956	15,483,913	Public assistance
		10,371,964		5,094	12,278,496	Education
				12,845	12,845	Recreation and cultural services
						Debt Service:
					88	Interest and fiscal charges
					3,188	Principal
28,083,874	16,111,689	10,371,964	213,852	18,698,749	151,634,877	Total expenditures
(4,983,290)	(10,746,834)	(589,917)	39,074	2,377,588	(21,958,893)	Revenues over (under) expenditures
						Other financing sources (uses)
4,642,909	10,861,008	1,043,069		1,325,793	25,780,783	Transfers in
(2,540,014)	(52,520)	(158,643)		(813,095)	(4,730,913)	Transfers out
				15,401	15,401	Sale of fixed assets
2,102,895	10,808,488	884,426		528,099	21,065,271	Total other financing sources (uses)
(2,880,395)	61,654	294,509	39,074	2,905,687	(893,622)	Net change in fund balance
						Fund balances --
7,211,411	55,677	5,978,716	84,702	10,140,800	67,003,198	beginning
$ 4,331,016	$ 117,331	$ 6,273,225	$ 123,776	$ 13,046,487	$ 66,109,576	Fund balances -- ending

Nonmajor Enterprise Funds

NONMAJOR ENTERPRISE FUNDS

Enterprise funds are established to account for the financing of self-supporting activities of governmental units, which render services on a user-charge basis to the general public.

County Transit System

This fund was established to account for the operation of a transit system within the county which performs intra-city transit service, medical transportation, and Senior Opportunity Services Program's nutrition deliveries. Revenues are generated from state grants and fees to transit users.

Stanislaus Behavioral Health Center

This fund was established to account for the operations of the Stanislaus Behavioral Health Center, which provides mental health and chemical dependency inpatient and outpatient services to public and private clients.

Inmate Welfare/Commissary

This fund was established to account for the activity of the Jail Commissary and the use of revenue generated from the sale of goods for the benefit of inmates.

County of Stanislaus
Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2007

	County Transit System	Stanislaus Behavioral Health Center	Inmate Welfare/ Commissary	Total
ASSETS:				
Current Assets:				
Cash and investments	$ 2,027,517	$	$ 1,185,288	$ 3,212,805
Accounts receivable, net	416,838	2,901,319	47,028	3,365,185
Interest and other receivables	12,436		8,003	20,439
Inventory			31,812	31,812
Total current assets	2,456,791	2,901,319	1,272,131	6,630,241
Noncurrent assets:				
Building and improvements		7,221,133	196,613	7,417,746
Equipment	3,162,832	338,625	113,402	3,614,859
Less: Accumulated depreciation	(975,185)	(2,602,887)	(123,474)	(3,701,546)
Total noncurrent assets	2,187,647	4,956,871	186,541	7,331,059
Total assets	4,644,438	7,858,190	1,458,672	13,961,300
LIABILITIES:				
Current liabilities:				
Accounts payable	231,487	331,617	92,973	656,077
Due to other funds		5,253,732		5,253,732
Salaries and benefits payable	16,735	459,078		475,813
Liability for compensated absences - current		24,785		24,785
Total current liabilities	248,222	6,069,212	92,973	6,410,407
Noncurrent liabilities				
Liability for compensated absences	37,796	508,533		546,329
Total noncurrent liabilities	37,796	508,533		546,329
Total liabilities	286,018	6,577,745	92,973	6,956,736
NET ASSETS:				
Invested in capital assets, net of related debt	2,187,647	4,956,871	186,541	7,331,059
Unrestricted	2,170,773	(3,676,426)	1,179,158	(326,495)
Total net assets	$ 4,358,420	$ 1,280,445	$ 1,365,699	$ 7,004,564

County of Stanislaus
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the fiscal year ended June 30, 2007

	County Transit System	Stanislaus Behavioral Health Center	Inmate Welfare/ Commissary	Total
Operating revenues:				
Charges for services	$ 271,524	$ 13,767,234	$ 1,584,935	$ 15,623,693
Total operating revenues	271,524	13,767,234	1,584,935	15,623,693
Salaries and benefits	293,720	9,755,850		10,049,570
Services and supplies	2,338,640	4,785,105	1,535,699	8,659,444
Depreciation	246,655	190,873	18,269	455,797
Total operating expenses	2,879,015	14,731,828	1,553,968	19,164,811
Operating income (loss)	(2,607,491)	(964,594)	30,967	(3,541,118)
Investment income	86,037	(249,639)	64,574	(99,028)
Intergovernmental	3,097,744			3,097,744
Total nonoperating revenues (expenses)	3,183,781	(249,639)	64,574	2,998,716
Income (loss) before contributions and transfers	576,290	(1,214,233)	95,541	(542,402)
Transfers in		581,154		581,154
Transfers out	(9,414)	(1,233,570)		(1,242,984)
Change in net assets	566,876	(1,866,649)	95,541	(1,204,232)
Total net assets - beginning	3,791,544	3,147,094	1,270,158	8,208,796
Total net assets - ending	$ 4,358,420	$ 1,280,445	$ 1,365,699	$ 7,004,564

Internal Service Funds

INTERNAL SERVICE FUNDS

Internal service funds were established to finance and account for the services and commodities furnished by a designated agency of a governmental unit to other departments of the same governmental unit. Since the services and commodities are supplied exclusively to other departments of a governmental jurisdiction, they are distinguishable from the public services which are rendered to the public in general and which are accounted for in General, special revenue, or enterprise funds.

General Liability Insurance

This fund is a risk management fund which was established to account for administrative cost, insurance premiums and the cost of claims for the County's property damage, general liability, auto liability, fiduciary, bonds, dishonesty, and legal defense. Revenues are generated by premiums paid by other funds and interest on investments.

Unemployment Insurance

This fund is a risk management fund which accounts for administrative cost and cost for the County's unemployment claims. Revenues are generated by premiums paid by other funds and interest on investments.

Workers' Compensation Insurance

This fund is a risk management fund which accounts for administrative cost, loss control and cost of Workers' Compensation claims and benefits. Revenues are generated by premiums paid by other funds and interest on investments.

Purchased Insurance

This fund accounts for insurance purchased from outside vendors for health and life insurance. Revenues are generated by premiums paid by other funds.

Dental Insurance

This fund is a risk management fund to account for administrative cost and the cost for the County's employee dental claims. Revenues are generated by premiums paid by other funds and interest on investments.

Vision Care Insurance

This fund is a risk management fund to account for administrative cost and the cost for the County's employee vision care claims. Revenues are generated by premiums paid by other funds and interest on investments.

Professional Liability Insurance

This fund is a risk management fund to account for the purchase of insurance and the cost of claims for medical malpractice cases, administrative costs and legal defense. Revenues are generated by premiums paid predominantly by the Health Services Agency Clinics and Ancillary Services Enterprise Fund, and interest on investments.

INTERNAL SERVICE FUNDS
(Continued)

Central Services

This fund was established to account for the cost of issuing supplies and food items, printing, duplication, postage, mail room service, and messenger service. Revenues are generated based on billings for services provided.

Fleet Services

This fund was established to account for the cost of maintaining all County-owned automobiles, trucks, and heavy equipment for County departments. Revenues are based on fee charges for services provided.

Technology and Communications

This fund was established to account for the costs of providing information services, computer processing and communication services. Revenues are based on billings to customers for services provided.

Morgan Shop Garage

This fund was established to account for the cost of maintaining Public Works light and heavy equipment. Revenues are based on fee charges for services provided.

County of Stanislaus
Combining Statement of Net Assets
Internal Service Funds
June 30, 2007

	Self Insurance funds					
	General Liability Insurance	Unemployment Insurance	Workers' Compensation Insurance	Purchased Insurance	Dental Insurance	Vision Care Insurance
ASSETS:						
Cash and investments	$ 3,619,067	$ 2,142,590	$ 22,152,722	$	$ 1,807,206	$ 491,861
Accounts receivable, net			417,456			
Interest and other receivables	22,275	13,325	135,120		10,738	2,787
Inventory						
Deposit with others			500,000		25,000	46,730
Prepaid items	17,629					
Total current assets	3,658,971	2,155,915	23,205,298		1,842,944	541,378
Capital assets:						
Structures and improvements						
Equipment	23,693		35,614			
Less: Accumulated depreciation	(23,693)		(35,614)			
Net capital assets						
Total assets	3,658,971	2,155,915	23,205,298		1,842,944	541,378
LIABILITIES:						
Current liabilities						
Accounts payable	269,551		211,808	5,032	81,072	76,528
Salaries and benefits payable						
Due to other funds				86,514		
Risk management liability-current	1,716,233	513,995	5,790,001		528,038	101,385
Compensated absences - current						
Inventory accrual						
Total current liabilities	1,985,784	513,995	6,001,809	91,546	609,110	177,913
Noncurrent liabilities						
Risk management liability	276,767	82,879	13,717,999			
Compensated absences						
Total noncurrent liabilities	276,767	82,879	13,717,999			
Total liabilities	2,262,551	596,874	19,719,808	91,546	609,110	177,913
NET ASSETS (DEFICIT) :						
Invested in capital assets, net of related debt						
Unrestricted	1,396,420	1,559,041	3,485,490	(91,546)	1,233,834	363,465
Total net assets	$ 1,396,420	$ 1,559,041	$ 3,485,490	$ (91,546)	$ 1,233,834	$ 363,465

County of Stanislaus
Combining Statement of Net Assets (Continued)
Internal Service Funds
June 30, 2007

Self Insurance funds						
Professional Liability Insurance	Central Services	Fleet Services	Technology and Communications	Morgan Shop Garage	Total	
						ASSETS:
$ 2,408,834	$ 304,686	$	$ 1,389,292	$ 246,013	$ 34,562,271	Cash and investments
	8,265	14,744	27,080	16,061	483,606	Accounts receivable, net
14,675					198,920	Interest and other receivables
	196,048	80,994		78,179	355,221	Inventory
					571,730	Deposit with others
					17,629	Prepaid items
2,423,509	508,999	95,738	1,416,372	340,253	36,189,377	Total current assets
						Capital assets:
		990,773			990,773	Structures and improvements
	213,189	7,985,397	4,486,739	8,897,969	21,642,601	Equipment
	(168,185)	(5,943,238)	(4,025,396)	(5,550,650)	(15,746,776)	Less: Accumulated depreciation
	45,004	3,032,932	461,343	3,347,319	6,886,598	Net capital assets
2,423,509	554,003	3,128,670	1,877,715	3,687,572	43,075,975	Total assets
						LIABILITIES:
						Current liabilities
8,796	128,556	96,199	225,448	60,276	1,163,266	Accounts payable
	32,733	33,606	129,894	28,037	224,270	Salaries and benefits payable
		1,631			88,145	Due to other funds
489,000					9,138,652	Risk management liability-current
	2,027	2,185	37,981	1,046	43,239	Compensated absences - current
						Inventory accrual
497,796	163,316	133,621	393,323	89,359	10,657,572	Total current liabilities
						Noncurrent liabilities
					14,077,645	Risk management liability
	58,187	83,982	251,995	54,866	449,030	Compensated absences
	58,187	83,982	251,995	54,866	14,526,675	Total noncurrent liabilities
497,796	221,503	217,603	645,318	144,225	25,184,247	Total liabilities
						NET ASSETS (DEFICIT) :
						Invested in capital assets,
	45,004	3,032,932	461,343	3,347,319	6,886,598	net of related debt
1,925,713	287,496	(121,865)	771,054	196,028	11,005,130	Unrestricted
$ 1,925,713	$ 332,500	$ 2,911,067	$ 1,232,397	$ 3,543,347	$ 17,891,728	Total net assets

County of Stanislaus
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the fiscal year ended June 30, 2007

	Self Insurance funds					
	General Liability Insurance	Unemployment Insurance	Workers' Compensation Insurance	Purchased Insurance	Dental Insurance	Vision Care Insurance
Operating revenues:						
Charges for services	$ 3,076,291	$ 575,769	$ 8,404,662	$ 34,652,214	$ 4,204,491	$ 978,715
Total operating revenues	3,076,291	575,769	8,404,662	34,652,214	4,204,491	978,715
Operating expenses:						
Salaries and benefits						
Services and supplies	3,695,372	408,422	5,146,482	34,782,778	4,037,765	948,555
Depreciation			709			
Total operating expenses	3,695,372	408,422	5,147,191	34,782,778	4,037,765	948,555
Operating income	(619,081)	167,347	3,257,471	(130,564)	166,726	30,160
Nonoperating revenues (expenses):						
Interest income	166,206	108,276	1,072,322		85,009	22,142
Interest expense						
Intergovernmental						
Gain on sale of capital assets						
Total nonoperating revenues (expenses), net	166,206	108,276	1,072,322		85,009	22,142
Income (loss) before Contributions and transfers	(452,875)	275,623	4,329,793	(130,564)	251,735	52,302
Capital contribution						
Transfers in						
Transfers out	(202,994)					
Changes in net assets	(655,869)	275,623	4,329,793	(130,564)	251,735	52,302
Total net assets (deficit) - beginning	2,052,289	1,283,418	(844,303)	39,018	982,099	311,163
Total net assets - ending	$ 1,396,420	$ 1,559,041	$ 3,485,490	$ (91,546)	$ 1,233,834	$ 363,465

County of Stanislaus
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (Continued)
Internal Service Funds
For the fiscal year ended June 30, 2007

Self Insurance funds Professional Liability Insurance	Central Services	Fleet Services	Technology and Communications	Morgan Shop Garage	Total	
						Operating revenues:
$ 772,140	$ 1,173,690	$ 3,020,241	$ 5,827,371	$ 2,513,403	$ 65,198,987	Charges for services
772,140	1,173,690	3,020,241	5,827,371	2,513,403	65,198,987	Total operating revenues
						Operating expenses:
	633,493	705,840	2,434,407	539,112	4,312,852	Salaries and benefits
1,073,333	319,585	1,418,319	3,239,967	1,561,803	56,632,381	Services and supplies
	8,381	768,040	170,474	461,275	1,408,879	Depreciation
1,073,333	961,459	2,892,199	5,844,848	2,562,190	62,354,112	Total operating expenses
(301,193)	212,231	128,042	(17,477)	(48,787)	2,844,875	Operating income
						Nonoperating revenues (expenses)
120,140					1,574,095	Interest income
				(13)	(13)	Interest expense
		1,002		553,717	554,719	Intergovernmental
	1,472	40,636			42,108	Gain on sale of capital assets
120,140	1,472	41,638		553,704	2,170,909	Total nonoperating revenues (expenses), net
						Income (loss) before
(181,053)	213,703	169,680	(17,477)	504,917	5,015,784	Contributions and transfers
		62,214			62,214	Capital contribution
		402,067			402,067	Transfers in
(74,029)	(18,060)	(20,118)	(73,554)	(15,057)	(403,812)	Transfers out
(255,082)	195,643	613,843	(91,031)	489,860	5,076,253	Changes in net assets
2,180,795	136,857	2,297,224	1,323,428	3,053,487	12,815,475	Total net assets (deficit) - beginning
$ 1,925,713	$ 332,500	$ 2,911,067	$ 1,232,397	$ 3,543,347	$ 17,891,728	Total net assets - ending

Statistical Information

County of Stanislaus
Net Assets by Component
(accrual basis of accounting)
Last Six Fiscal Years

	Fiscal Year					
	2002 as restated	2003 as restated	2004	2005 as restated	2006 as restated	2007
Governmental activities						
Invested in capital assets, net of related debt	$ 502,867,315	$ 496,673,006	$ 495,467,522	$ 486,725,321	$ 468,897,825	$ 464,402,025
Restricted	170,994,690	171,348,552	111,663,081	127,009,622	152,249,240	163,255,952
Restricted by enabling legislation				20,529	126,604	
Unrestricted (deficit)	(30,001,296)	(70,833,738)	(22,784,867)	10,909,303	36,961,726	64,162,858
Total governmental activities net assets	$ 643,860,709	$ 597,187,820	$ 584,345,736	$ 624,664,775	$ 658,235,395	$ 691,820,835
Business-type activities						
Invested in capital assets, net of related debt	$ 22,441,843	$ 22,276,120	$ 24,016,538	$ 27,911,764	$ 29,741,803	$ 29,205,014
Restricted	19,420,965	21,030,306	17,058,797	16,464,101	17,484,367	18,925,816
Restricted by enabling legislation						
Unrestricted (deficit)	(26,574,831)	(32,132,595)	(19,977,851)	(19,270,657)	(24,034,466)	(22,237,324)
Total business-type activities net assets	$ 15,287,977	$ 11,173,831	$ 21,097,484	$ 25,105,208	$ 23,191,704	$ 25,893,506
Primary government						
Invested in capital assets, net of related debt	$ 525,309,158	$ 518,949,126	$ 519,484,060	$ 514,637,085	$ 498,639,628	$ 493,607,039
Restricted	190,415,655	192,378,858	128,721,878	143,473,723	169,733,607	182,181,768
Restricted by enabling legislation				20,529	126,604	
Unrestricted	(56,576,127)	(102,966,333)	(42,762,718)	(8,361,354)	12,927,260	41,925,534
Total primary government net assets	$ 659,148,686	$ 608,361,651	$ 605,443,220	$ 649,769,983	$ 681,427,099	$ 717,714,341

Notes:
FY 2001-2002 primary government total net assets was restated from $678,494,188 to $659,148,686
FY 2002-2003 governmental activities total net assets was restated from $639,576,553 to $597,187,820
FY 2004-2005 business-type activities total net assets was restated from $23,160,498 to $25,105,208
FY 2005-2006 business-type activities total net assets was restated from $28,418,264 to $23,191,704

County of Stanislaus
Changes in Net Assets
(accrual basis of accounting)
Last Six Fiscal Years

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Expenses						
Governmental activities						
General government	$ 40,719,666	$ 48,391,005	$ 44,290,347	$ 43,758,556	$ 46,905,827	$ 40,326,944
Public protection	136,575,084	143,930,821	146,200,826	153,222,823	171,456,271	179,232,723
Public ways and facilities	33,500,529	39,214,960	45,291,400	49,611,339	43,300,626	48,425,573
Health and sanitation	99,938,442	103,632,801	103,788,932	104,052,780	107,002,519	117,136,073
Public assistance	210,016,007	205,434,527	204,811,256	216,024,493	226,912,785	234,184,853
Education	8,979,780	9,628,228	10,553,123	11,455,049	11,617,617	13,230,701
Recreation	4,786,457	6,062,670	6,710,196	5,367,318	5,936,392	5,172,418
Interest and fiscal charges on long-term debt	11,720,293	11,582,666	17,522,288	17,509,698	15,794,464	18,532,357
Total governmental activities expenses	546,236,258	567,877,678	579,168,368	601,002,056	628,926,501	656,241,642
Business-type activities:						
Landfills	7,184,548	7,659,100	4,295,808	1,837,850	4,264,879	4,495,812
Waste-to-Energy	6,879,368					
Behavioral Health	14,019,815	13,799,708	16,655,727	16,256,875	16,574,026	14,981,467
Health Clinics and Ancillary	36,353,822	37,321,847	40,143,654	42,296,204	47,386,656	46,566,334
Inmate Welfare and Commissary	1,317,672	1,437,906	1,718,460	1,861,958	1,448,930	1,553,968
Transit	1,951,513	2,082,555	2,348,014	2,953,712	2,621,053	2,879,015
Total business-type activities expenses	67,706,738	62,301,116	65,161,663	65,206,599	72,295,544	70,476,596
Total primary government expenses	$ 613,942,996	$ 630,178,794	$ 644,330,031	$ 666,208,655	$ 701,222,045	$ 726,718,238
Program Revenues						
Governmental activities						
Charges for services:						
General government	$ 24,217,304	$ 23,686,029	$ 17,555,386	$ 25,096,648	$ 25,071,142	$ 24,445,799
Public protection	33,777,480	33,973,505	40,883,130	47,523,591	47,598,437	45,100,432
Public ways and facilities	2,100,852	1,990,484	12,520,953	14,937,803	13,523,739	11,821,776
Health and sanitation	26,121,085	24,778,203	26,047,686	27,706,588	34,027,134	32,012,248
Public assistance	3,360,030	4,139,918	3,241,588	5,144,987	4,562,731	4,454,712
Education	591,882	387,553	1,958,812	2,597,282	1,791,647	1,119,156
Recreation	3,564,748	2,100,374	3,383,321	4,303,898	4,195,225	3,785,258
Operating grants and contributions	340,536,926	332,085,792	335,349,242	346,718,321	373,932,272	388,750,336
Capital grants and contributions	19,854,710	23,552,188	11,639,869	18,080,864	17,156,592	23,998,543
Total governmental activities program revenues	454,125,017	446,694,046	452,579,987	492,109,982	521,858,919	535,488,260
Business-type activities						
Charges for services						
Landfills	5,623,173	4,793,867	4,941,990	5,785,376	5,941,134	5,316,886
Waste-to-Energy	8,556,601					
Behavioral Health	12,487,670	14,756,842	16,138,480	15,994,328	17,043,260	13,767,234
Health Clinics and Ancillary	37,767,463	37,576,983	39,969,644	38,144,080	36,897,631	27,505,872
Inmate Welfare and Commissary	1,410,094	1,226,081	1,230,589	1,387,650	1,587,772	1,584,935
Transit	178,400	196,832	248,081	280,470	270,282	271,523
Operating grants and contributions	808,097	514,380	2,113,508	945,523	1,172,645	1,906,353
Capital grants and contributions	2,322,034		133,483	2,106,894	219,614	
Total business-type activities program revenues	69,153,532	59,064,985	64,775,775	64,644,321	63,132,338	50,352,803
Total primary government program revenues	$ 523,278,549	$ 505,759,031	$ 517,355,762	$ 556,754,303	$ 584,991,257	$ 585,841,063

Net (expense)/revenue						
Governmental activities	$ (92,111,241)	$ (121,183,632)	$ (126,588,381)	$ (108,892,074)	$ (107,067,582)	$ (120,753,382)
Business-type activities	1,446,794	(3,236,131)	(385,888)	(562,278)	(9,163,206)	(20,123,793)
Total primary government net expense	$ (90,664,447)	$ (124,419,763)	$ (126,974,269)	$ (109,454,352)	$ (116,230,788)	$ (140,877,175)
General Revenues and Other Changes in Net Assets						
Governmental activities						
Taxes						
Property taxes	$ 29,325,476	$ 31,561,725	$ 34,432,004	36,762,205	91,742,755	106,497,765
Sales taxes	23,656,194	26,468,757	27,480,214	29,434,230	32,547,462	32,520,456
Other taxes	2,603,661	2,918,028	3,787,530	4,667,735	4,693,426	3,390,027
Franchise fees	1,221,235	918,309	1,020,333	1,015,443	1,053,101	1,090,128
Payment in lieu of taxes						
Motor vehicle license	30,646,886	32,658,197	25,906,813	44,584,362		
Open space subvention	1,803,361	1,737,231	1,691,748	1,670,086	1,609,009	1,545,374
Rental income	710,984					
Unrestricted investment earnings	5,476,077	3,646,615	2,550,113	10,552,047	8,678,242	13,903,636
Miscellaneous	11,123,678	11,648,645	11,543,413	12,506,005	9,652,580	9,516,094
Donation			13,537,658	9,460,780		
Gain (loss) on sale of fixed assets	(1,684,661)					
Special Item-proceeds of tobacco securitization	52,403,206					
Transfers	3,161,648	5,341,969	(8,203,529)	(1,441,780)	(9,338,373)	(14,124,658)
Total governmental activities	160,447,745	116,899,476	113,746,297	149,211,113	140,638,202	154,338,822
Business-type activities						
Sales taxes	1,606,502	1,892,035		2,422,965	2,506,291	2,626,260
Unrestricted investment earnings	2,479,622	2,571,919	2,106,012	705,257	631,598	848,117
Gain (loss) on sale of fixed assets	(11,801)					
Transfers	(3,161,648)	(5,341,969)	8,203,529	1,441,780	9,338,373	14,124,658
Total business-type activities	912,675	(878,015)	10,309,541	4,570,002	12,476,262	17,599,035
Total primary government	$ 161,360,420	$ 116,021,461	$ 124,055,838	$ 153,781,115	$ 153,114,464	$ 171,937,857
Change in Net Assets						
Governmental activities	$ 68,336,504	$ (4,284,156)	$ (12,842,084)	$ 40,319,039	$ 33,570,620	$ 33,585,440
Business-type activities	2,359,469	(4,114,146)	9,923,653	4,007,724	3,313,056	(2,524,758)
Total primary government	$ 70,695,973	$ (8,398,302)	$ (2,918,431)	$ 44,326,763	$ 36,883,676	$ 31,060,682

County of Stanislaus
Governmental Activities Tax Revenues by Source
(accrual basis of accounting)
Last Six Fiscal Years

Fiscal Year	Property Tax	Sales Tax	Other Tax	Total	
2002	$ 29,325,476	$ 23,656,194	$ 2,603,661	$ 55,585,331	
2003	31,561,725	26,468,757	2,918,028	60,948,510	
2004	34,432,004	27,480,214	3,787,530	65,699,748	
2005	36,762,205	29,434,230	4,667,735	70,864,170	
2006	91,742,755	32,547,462	4,693,426	128,983,643	(1)
2007	106,497,765	32,520,456	3,390,027	142,408,248	

(1) Over $46 million ot the 2006 increase can be attributed to the State's swap of motor vehicle in-lieu taxes for property taxes in-lieu of vehicle license fees.

County of Stanislaus
Fund Balances of Governmental Funds
(modified accrual basis of accounting)
Last Six Fiscal Years

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
General fund						
Reserved	$ 16,910,835	$ 23,941,306	$ 25,354,279	$ 25,924,335	$ 31,767,114	$ 44,479,034
Unreserved	38,924,411	35,999,464	33,292,699	56,023,028	74,630,642	72,660,005
Total general fund	$ 55,835,246	$ 59,940,770	$ 58,646,978	$ 81,947,363	$ 106,397,756	$ 117,139,039
All other governmental funds						
Reserved	$ 32,322,226	37,071,720	108,136,528	67,918,410	48,258,775	41,362,101
Unreserved, reported in:						
Special revenue funds	113,216,454	107,689,217	110,031,476	109,598,487	163,006,645	163,980,081
Capital project funds	51,563,966	47,090,116	25,250,961	68,311,908	101,602,439	116,592,397
Debt service funds	7,288,740	4,631,675	2,527,799	1,177,586	86,286	716,295
Total all other governmental funds	$ 204,391,386	$ 196,482,728	$ 245,946,764	$ 247,006,391	$ 312,954,145	$ 322,650,874

County of Stanislaus
Changes in Fund Balances of Governmental Funds
(modified accrual basis of accounting)
Last Six Fiscal Years

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Revenues						
Taxes	$ 55,585,337	$ 60,948,505	$ 65,574,750	$ 70,907,713	$ 128,897,810	$ 142,332,996
Licenses, permits and franchises	3,514,853	3,406,830	4,522,962	5,229,280	5,795,146	5,632,176
Fines, forfeitures and penalties	6,978,905	7,993,664	6,458,261	8,249,576	12,293,083	13,334,536
Revenue from use of money and property	10,439,033	7,908,954	5,385,832	14,087,837	14,851,573	23,993,844
Intergovernmental revenue	382,418,947	379,661,625	374,587,670	404,173,862	385,428,573	399,060,197
Charges for services	87,224,458	84,689,346	96,416,581	110,621,879	113,569,885	105,010,453
Miscellaneous revenue	11,091,239	11,648,645	11,543,413	12,513,789	9,652,580	9,516,094
Donation			13,537,658	6,145,113		3,736,752
Total revenues	557,252,772	556,257,569	578,027,127	631,929,049	670,488,650	702,617,048
Expenditures						
General	36,494,615	39,042,574	38,197,737	38,619,527	44,505,563	36,843,138
Public Protection	133,205,484	140,359,147	142,936,105	155,069,132	164,830,857	181,167,098
Public ways and facilities	22,887,072	24,703,267	22,352,607	19,355,303	21,154,573	28,138,841
Health and sanitation	98,746,982	103,859,610	103,266,153	105,176,319	108,099,835	117,532,564
Public assistance	209,041,477	204,532,483	203,468,428	215,860,788	226,545,330	233,950,056
Education	12,950,762	9,449,163	9,676,337	10,055,515	10,522,628	12,683,522
Recreation and cultural services	4,401,008	5,433,031	6,606,007	4,260,721	4,414,323	5,288,606
Capital outlay	8,317,137	17,840,345	14,724,893	28,409,155	18,404,088	18,105,515
Debt Service:						
Interest and fiscal charges	11,808,658	11,207,951	18,869,034	16,417,218	16,380,484	16,070,101
Principal	9,635,816	10,208,176	17,014,661	13,021,864	13,578,584	18,429,803
Total expenditures	547,489,011	566,635,747	577,111,962	606,245,542	628,436,265	668,209,244
Excess of revenues over (under) expenditures	9,763,761	(10,378,178)	915,165	25,683,507	42,052,385	34,407,804
Other financing sources (uses)						
Capital lease proceeds	309,984	290,938	29,651		219,767	129,559
Transfers in	84,654,371	75,409,177	68,602,177	67,662,570	78,628,427	77,077,052
Transfers out	(80,585,027)	(69,413,722)	(76,677,619)	(68,986,762)	(88,271,040)	(91,273,994)
Loan proceeds	4,516,403		47,408,114		15,615,000	42,081,614
Sale of capital assets	7,722	288,640	6,710	697		15,401
Payment to refund bond agent						(41,999,424)
Total other financing sources (uses)	8,903,453	6,575,033	39,369,033	(1,323,495)	6,192,154	(13,969,792)
Special item						
Proceeds of tobacco securitization	52,403,206				42,153,611	
Net change in fund balances	$ 71,070,420	$ (3,803,145)	$ 40,284,198	$ 24,360,012	$ 90,398,150	$ 20,438,012
Debt service as a percentage of noncapital expenditures	4.22%	4.25%	7.00%	5.56%	5.27%	5.72%

County of Stanislaus
Net Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Secured	Unsecured	Total Assessed Value	(1) Total Direct Tax Rate
1998	$ 17,125,381,531	$ 920,841,788	$ 18,046,223,319	1.0%
1999	$ 17,414,464,523	$ 1,042,205,718	$ 18,456,670,241	1.0%
2000	$ 18,138,511,836	$ 1,145,681,145	$ 19,284,192,981	1.0%
2001	$ 19,269,396,995	$ 1,206,395,885	$ 20,475,792,880	1.0%
2002	$ 20,778,158,097	$ 1,360,582,907	$ 22,138,741,004	1.0%
2003	$ 24,882,144,306	$ 1,448,702,323	$ 26,330,846,629	1.0%
2004	$ 27,488,169,333	$ 1,416,767,559	$ 28,904,936,892	1.0%
2005	$ 31,643,757,615	$ 1,587,169,541	$ 33,230,927,156	1.0%
2006	$ 37,231,077,917	$ 1,680,424,352	$ 38,911,502,269	1.0%
2007	$ 41,057,624,582	$ 1,724,746,659	$ 42,782,371,241	1.0%

Note: Values are full value net of State subventions as per the Assessor's assessed roll. However, adjustments and cancellations after publication of the roll are not included.

(1) Due to the passage of the property tax initiative Proposition 13 (Prop 13) in 1978, the County does not track the estimated actual value of all County properties. Under Prop 13, property is assessed at the 1978 market value with an annual increase limited to the lesser of 2% or the CPI on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel. Resultantly, similar properties can have substantially different assessed values based on the date of purchase.

Prop 13 limits the property tax rate to 1% of assessed value plus the rate necessary to fund local voter-approved bonds and special assessments.

County of Stanislaus
Property Tax Rates and Distributions
of General Levy Property Tax Rate
Among Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	Property Tax Rates Per $100 of Assessed Valuation (Low)	(High)	County	Cities	(1) School District	Special District	Total
1998	0.8715	1.1576	11.84%	6.56%	74.89%	6.71%	100.00%
1999	0.8715	1.1619	11.80%	6.51%	74.63%	7.06%	100.00%
2000	0.8714	1.1728	11.73%	6.47%	74.20%	7.60%	100.00%
2001	0.8715	1.1461	11.70%	6.50%	73.40%	8.40%	100.00%
2002	0.9657	1.1382	11.58%	6.53%	74.01%	7.88%	100.00%
2003	0.9594	1.1280	11.45%	6.59%	73.46%	8.50%	100.00%
2004	0.9500	1.1105	11.18%	6.49%	73.24%	9.09%	100.00%
2005	0.9511	1.1715	11.13%	6.49%	72.90%	9.48%	100.00%
2006	0.9283	1.1683	10.88%	6.70%	71.86%	10.56%	100.00%
2007	0.9383	1.1473	10.84%	6.81%	71.25%	11.10%	100.00%

The County is divided into approximately 1,357 tax code areas, which are unique combinations of various jurisdictions serving a specific geographical area. The above tax rates, which include levies for general obligation bonds and special assessments, represent the low and high tax rates levied within each tax rate area.

The above allocation percentages are for general levies only and exclude general obligation bond rates and special assessments.

The passage of Proposition 13 on June 6, 1978 enacted Article XIII(A) of the State Constitution. This prohibits the levying of any tax rate, except for existing voter-approved bonded debt, in excess of the general tax rate of 1% of assessed value (4% prior to year ended June 30, 1982). The proceeds of this tax are shared by all overlapping local government entities.

(1) Includes Superintendent of Schools

County of Stanislaus
Principal Property Taxpayers
Current Year and Nine Years Ago

	2007			1998		
Taxpayer	Property Taxes	Rank	Percentage of Total Property Taxes	Property Taxes	Rank	Percentage of Total Property Taxes
Diablo Grande, LTD	$ 2,933,771	1	0.6363%			
Gallo Glass Co	1,682,328	2	0.3649%	1,372,658	4	0.6810%
Pacific Gas and Electric	1,608,842	3	0.3489%	1,402,717	3	0.6960%
Gallo Winery	1,378,021	4	0.2989%	1,082,514	5	0.5142%
Doctors Medical Center	1,216,776	5	0.2639%	915,917	6	0.4545%
Recot Inc (Frito Lay)	1,178,915	6	0.2557%			
Hershey's Chocolate, Inc	1,131,569	7	0.2454%	731,248	10	0.3628%
Pacific Bell	1,077,428	8	0.2337%	2,096,906	1	1.0405%
Del Monte Corp	1,071,880	9	0.2325%			
Foster Dairy Farms	1,026,928	10	0.2227%			
Tri-Valley Growers				1,618,381	2	0.8030%
Hunt Wesson Foods, Inc				883,135	7	0.4382%
Proctor Gamble				845,047	8	0.4193%
Macerich Vintage Faire Ltd				744,176	9	0.3692%
Total	$ 14,306,458		3.1028%	$ 11,692,699		5.7787%

County of Stanislaus
Property Tax Levy and Collections *
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy	
		Amount	Percent of Levy
1998	$ 201,542,255	$ 197,210,207	97.85%
1999	$ 205,539,598	$ 201,224,592	97.90%
2000	$ 221,083,491	$ 216,197,440	97.79%
2001	$ 233,334,911	$ 228,045,563	97.73%
2002	$ 251,556,329	$ 245,881,778	97.74%
2003	$ 274,749,639	$ 270,047,250	98.29%
2004	$ 303,836,456	$ 295,829,739	97.36%
2005	$ 333,902,361	$ 326,003,357	97.63%
2006	$ 396,734,408	$ 383,041,323	96.55%
2007	$ 461,085,798	$ 431,482,886	93.58%

* Includes all taxing authorities within the County excluding Airplane Tax.

County of Stanislaus
Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year	Assessed Value	Debt Limit Percentage	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Debt Applicable to the Limit as a Percentage of Debt Limit
1998	$ 18,046,223,319	1.25%	$ 225,577,791	$ -	$ 225,577,791	0%
1999	$ 18,456,670,241	1.25%	$ 230,708,378	$ -	$ 230,708,378	0%
2000	$ 19,284,192,981	1.25%	$ 241,052,412	$ -	$ 241,052,412	0%
2001	$ 20,475,792,880	1.25%	$ 255,947,411	$ -	$ 255,947,411	0%
2002	$ 22,138,741,004	1.25%	$ 276,734,263	$ -	$ 276,734,263	0%
2003	$ 26,330,846,629	1.25%	$ 329,135,583	$ -	$ 329,135,583	0%
2004	$ 28,904,936,892	1.25%	$ 361,311,711	$ -	$ 361,311,711	0%
2005	$ 33,230,927,156	1.25%	$ 415,386,589	$ -	$ 415,386,589	0%
2006	$ 38,911,502,269	1.25%	$ 486,393,778	$ -	$ 486,393,778	0%
2007	$ 42,782,371,241	1.25%	$ 534,779,641	$ -	$ 534,779,641	0%

Note: The legal debt limit percentage is set by statue. Debt includes only general obligation bonded debt supported by property taxes.

ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT
(as of December 1, 2006)

STANISLAUS COUNTY

2006-07 Assessed Valuation:	$39,472,427,882 (includes unitary utility valuation)	
Redevelopment Incremental Valuation:	3,576,491,857	
Adjusted Assessed Valuation:	$35,895,936,025	

OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable (1)	Debt 12/1/06
Modesto High School District	100. %	$ 71,853,194
Turlock Joint Union High School District	98.373	28,478,984
Ceres Unified School District	100.	23,994,806
Newman-Crows Landing Unified School District	100.	10,939,890
Patterson Joint Unified School District	99.164	20,016,335
Riverbank Unified School District	100.	10,900,488
Other Unified School Districts	Various	43,623,698
Modesto City School District	100.	21,963,337
Sylvan School District	100.	8,305,000
Turlock Joint School District	98.093	10,486,142
Other School Districts	Various	8,482,807
Oak Valley Hospital District	100.	37,000,000
Newman Drainage District	100.	350,000
Empire Union School District Community Facilities District No. 87-1	100.	17,851,064
City Community Facilities Districts	100.	122,070,000
Salida Area Community Facilities District No. 1988-1	100.	35,525,000
Western Hills Water District Community Facilities District No. 1	100.	54,745,000
City 1915 Act Bonds	100.	14,524,581
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		$541,110,326
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Stanislaus County Certificates of Participation	**100.%**	**$113,790,000**
Stanislaus County Pension Obligations	**100.**	**62,975,000**
Stanislaus County Office of Education Certificates of Participation	100.	5,500,000
Yosemite Community College District Certificates of Participation	72.584	9,621,009
Modesto High School and City School District Certificates of Participation	100.	14,181,946
Ceres Unified School District Certificates of Participation	100.	11,175,000
Salida Union School District Certificates of Participation	100.	8,940,000
Other School District Certificates of Participation	Various	31,074,129
City of Modesto General Fund Obligations	100.	88,430,000
City of Newman Certificates of Participation	100.	2,555,000
Other City Certificates of Participation	100.	4,967,736
Keyes Fire Protection District Certificates of Participation	100.	293,000
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$353,502,820
Less: Salida Union School District self-supporting obligations from AIG investment agreement		2,000,000
City of Newman Wastewater Certificates of Participation (100% self-supporting)		2,470,000
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$349,032,820
GROSS COMBINED TOTAL DEBT		$894,613,146 (2)
NET COMBINED TOTAL DEBT		$890,143,146

(1) Based on 2005-06 ratios.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations and excludes the Certificates and the proposed payment and refunding of the 1996 Certificates and the 1997 Certificates.

Ratios to 2006-07 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.37%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt ($176,765,000) 0.49%

Gross Combined Total Debt 2.49%

Net Combined Total Debt 2.48%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/05: $0

Source: California Municipal Statistics, Inc.

County of Stanislaus
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
1998	427,642	9,310,623	21,716	14.6%
1999	432,990	9,756,560	22,244	12.8%
2000	441,364	10,572,639	23,501	8.6%
2001	446,997	10,916,779	23,467	9.1%
2002	469,512	11,460,836	23,871	10.8%
2003	481,604	11,944,709	24,337	11.2%
2004	491,900	12,880,334	25,885	10.9%
2005	504,482	not available	not available	9.9%
2006	514,370	not available	not available	8.4%
2007	521,497	not available	not available	8.5%

Sources:
(1) California Department of Finance
(2) United States Department of Commerce
(3) State of California Employment Development Department (data shown is for the County)

County of Stanislaus
Principal Employers
Current Year and Nine Years Ago

(1) Employer	2006 Employees	2006 Rank	2006 Percentage of Total County Employment	1998 Employees	1998 Rank	1998 Percentage of Total County Employment
County of Stanislaus	4,764	1	2.25%	2,792	1	1.58%
Modesto City Schools	3,345	2	1.58%	-		-
E & J Gallo	3,311	3	1.57%	2,654	2	1.50%
Memorial Medical Center	2,700	4	1.28%	2,378	3	1.35%
Del Monte Corporation	2,600	5	1.23%	-		-
Modesto Junior College	2,550	6	1.21%	2,000	7	1.13%
Signature Fruit Company	2,321	7	1.10%	2,010	6	1.14%
Stanislaus Foods	2,300	8	1.09%	-		-
Doctors Medical Center	1,967	9	0.93%	-		-
Turlock Unifed School District	1,703	10	0.81%	-		-
Tri-Valley Growers	-		-	2,336	4	1.32%
Foster Farms	-		-	2,030	5	1.15%
City of Modesto	-		-	1,090	8	0.62%
Emanuel Medical Center	-		-	946	9	0.54%
Ceres Unified School District	-		-	900	10	0.51%
Total	27,561		13.04%	19,136		10.83%

Source: (1) Stanislaus River Valley Alliance based on 2006 data

County of Stanislaus
Full-time Employees by Function
Last Six Fiscal Years

	Full-time Employees as of June 30					
	2002	2003	2004	2005	2006	2007
Function						
Governmental activities:						
General government	402	374	333	331	341	343
Public protection	1,342	1,301	1,317	1,368	1,378	1,441
Public ways and facilities	125	115	121	123	123	121
Health and sanitation	1,018	983	984	961	937	916
Public assistance	926	858	894	898	897	952
Education	85	89	91	92	93	94
Recreation	34	33	31	26	25	28
Total governmental activities	3,932	3,753	3,771	3,799	3,794	3,895
Business-type activities:						
Landfills	14	15	17	17	17	15
Behavioral Health	102	106	116	99	108	79
Health Clinics & Ancillary	273	256	263	243	222	217
Transit	3	3	3	3	3	3
Total business-type activities	392	380	399	362	350	314
Total Stanislaus County	4,324	4,133	4,170	4,161	4,144	4,209

County of Stanislaus
Miscellaneous Statistical Data
June 30, 2007

GEOGRAPHICAL LOCATION :	Stanislaus County is located in the central part of the state of California, about 300 miles north of Los Angeles and 90 miles east of San Francisco. The County is bordered on the north by San Joaquin County, on the east by Calaveras and Tuolumne Counties, on the south by Merced County, and on the west by Santa Clara County.
AREA OF COUNTY :	Approximately 1,521 square miles
COUNTY SEAT :	Modesto, California
FORM OF GOVERNMENT :	General Law, County governed by five-member Board of Supervisors
DATE COUNTY FORMED :	April 1, 1854
FISCAL YEAR BEGINS :	July 1.

INCORPORATED CITIES :

Ceres	Newman	Riverbank
Hughson	Oakdale	Turlock
Modesto	Patterson	Waterford

Number of Special Districts Controlled by Board of Supervisors :

County Service Areas	23	Landscape and Lighting	8
Drainage	7	Cap. Imp.	1
Lighting	25	Total	64

Number of other Special Districts :

California Water	12	Cemetery	3
Mosquito Abatement	2	Sanitation	2
Resource Conservation	3	Reclamation	2
Community Services	8	Hospital	3
Flood Control & Drainage	2	Irrigation	4
Fire Protection	14	Drainage	1
Emergency Medical Service	1	Lighting	1
Redevelopment Agency	10	StanCOG	1
Finance Agency	2	Total	71

County of Stanislaus
Miscellaneous Statistical Data (continued)
June 30, 2007

ELECTION NOVEMBER 6, 2007
(County Registrar of Voters)

Registered Voters:	188,961
Number Voting:	40,562
Percent Voting:	21.47%

MILES OF COUNTY-MAINTAINED ROADS
(County Department of Public Works)

1,549

CONSTRUCTION PERMITS
(County Building Department)

Calendar Year	# of Permits	Cost of Permits
1996	1,791	$1,031,882
1997	3,475	$1,093,601
1998	3,283	$1,506,397
1999	2,110	$1,292,098
2000	3,201	$1,616,198
2001	3,522	$1,596,172
2002	3,281	$1,703,735
2003	3,504	$2,939,814
2004	3,515	$1,326,118
2005	3,813	$4,755,706
2006	3,965	$5,637,126

Stanislaus
County
Striving to be the Best